Ninety-Third Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 1995

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 1995*

To the Honorable George F. Allen

Governor of Virginia

Sir:

We have the honor to transmit herewith the ninety-third Annual Report of the State Corporation Commission for the year 1995.

Respectfully submitted,

Preston C. Shannon, Chairman

Theodore V. Morrison, Jr., Commissioner

Hullihen Williams Moore, Commissioner

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State Corporation Commission

COMMISSIONERS

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

William J. Bridge

Clerk of the Commission

---

*Term as Chairman expired January 31, 1995

**Elected Chairman effective for term of one year, February 1, 1995

Commissioners

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

The names and terms of office of the Commissioners:

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

From 1903 through 1995 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	24	Morrison	7	Moore	4

Preface

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

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

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

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

Rules of Practice and Procedure

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PART 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. BAN19950176
MAY 9, 1995

APPLICATION OF
VIRGINIA COMMERCE BANK (in organization)

For a certificate of authority to do a banking business upon the conversion of Virginia Commerce Bank, National Association

ORDER ISSUING A CERTIFICATE OF AUTHORITY

Virginia Commerce Bank has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do a banking business as a state bank with its main office at 5350 Lee Highway, Arlington 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, Virginia Commerce Bank has been incorporated as a Virginia corporation empowered by its certificate of incorporation to do a banking business. The corporation was formed to be the successor of Virginia Commerce Bank, National Association, which has its main office at 3033 Wilson Boulevard, Arlington County, Virginia. The bank has assets of approximately $65.6 million and operates three branches at: (1) 5350 Lee Highway, Arlington County, Virginia; (2) 1414 Prince Street, City of Alexandria, Virginia; and (3) 1356 Chain Bridge Road, McLean, Fairfax County, Virginia. 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 he recommends approval of this application.

Now having considered the application and the report of the Commissioner of Financial Institutions, the Commission is of the opinion and finds that the procedure required by federal law for conversion has been followed, that the conversion has been approved by the stockholders of the national 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 business as a state bank, with its main office at 5350 Lee Highway, Arlington County, Virginia and operate branches at: (1) 3033 Wilson Boulevard, Arlington County, Virginia; (2) 1414 Prince Street, City of Alexandria, Virginia; and (3) 1356 Chain Bridge Road, McLean, Fairfax County, Virginia, be issued to Virginia Commerce Bank, and such a certificate is issued contingent upon the following conditions being met: (1) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (2) the capital stock of the applicant shall be $4,360,250 and its surplus and reserve for operations will amount to not less than $4,230,066 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 NOS. BAN19950191 and BAN19950197
MAY 22, 1995

APPLICATIONS OF
JAMES RIVER 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 James River Bankshares, Inc., Suffolk, Virginia, and filed its applications, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Bank of Suffolk, Suffolk, Virginia and The Bank of Waverly, Waverly, 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 acquisitions of 100 percent of the voting shares of Bank of Suffolk and The Bank of Waverly by James River Bankshares, Inc. and orders that these matters be placed among the ended cases.

CASE NO. BAN19950229
JUNE 12, 1995

APPLICATION OF
THE FIRST BANK OF STUART (in organization)

For a certificate of authority to do a banking business upon the conversion of The First National Bank of Stuart

ORDER ISSUING A CERTIFICATE OF AUTHORITY

The First Bank of Stuart has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do a banking business as a state bank with its main office at the corner of Blue Ridge and Main Streets, Stuart, Patrick 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, The First Bank of Stuart has been incorporated as a Virginia corporation empowered by its certificate of incorporation to do a banking business. The corporation was formed to be the successor of The First National Bank of Stuart, a national banking association having its main office at the corner of Blue Ridge and Main Streets, Stuart, Patrick County, Virginia. The First National Bank of Stuart is a subsidiary of Piedmont BankGroup Incorporated. The bank has assets of approximately $114.3 million, and it operates five branches at: (1) south side of State Route 773, 750 feet west of State Route 675, Ararat, Patrick County, Virginia; (2) north side of U.S. Route 58 at State Route 758, Meadows of Dan, Patrick County, Virginia; (3) north side of U. S. Route 58, 750 feet west of State Route 682, Patrick Springs, Patrick County, Virginia; (4) Village Shopping Center, Stuart, Patrick County, Virginia; and (5) west side of State Route 8, 0.4 mile south of State Route 40, Woolwine, Patrick County, Virginia. 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 he recommends approval of this application.

Now having considered the application and the report of the Commissioner of Financial Institutions, the Commission is of the opinion and finds that the procedure required by federal law for conversion has been followed, that the conversion has been approved by the stockholders of the national 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 business as a state bank, with the main office and branches set forth above, be issued to The First Bank of Stuart, and such a certificate is issued contingent upon the following conditions being met: (1) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (2) the capital stock of the applicant shall be $2,000,000 and its surplus and reserve for operations will amount to not less than $9,500,000 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. BAN19950247
MAY 22, 1995

APPLICATION OF
VIRGINIA CREDIT UNION, INC.

To merge into itself Valley Credit Union

ORDER APPROVING THE MERGER

Virginia Credit Union, Inc. filed an application to merge into itself Valley 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 Virginia Credit Union, Inc., 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 Valley Credit Union into Virginia Credit Union, Inc. is approved, provided that the merger, which will be effective when the Clerk issues a certificate of merger, shall be accomplished not later than one year from this date.

CASE NO. BAN19950261
SEPTEMBER 19, 1995

APPLICATION OF
FIRST BANCORP, INC.

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came First Bancorp, Inc., Lebanon, Virginia, and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire First Cumberland Bank, Madison, Tennessee. The application was referred to the Bureau of Financial Institutions.

Having considered the aforesaid notice and the report herein of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the proposed acquisition will not affect detrimentally the safety or soundness of any Virginia bank. Therefore the Commission hereby approves the acquisition of First Cumberland Bank by First Bancorp, Inc. This matter shall be placed among the ended cases.

CASE NO. BAN19950267
JUNE 16, 1995

APPLICATION OF
CENIT BANCORP, INC.

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came CENIT Bancorp, Inc., Norfolk, Virginia, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Princess Anne Bank, Virginia Beach, 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 Princess Anne Bank by CENIT Bancorp, Inc. and orders that this matter be placed among the ended cases.

CASE NO. BAN19950362
JULY 14, 1995

APPLICATION OF
PEOPLES 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 Peoples Bankshares, Incorporated and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting stock of Peoples Bank of Montross. 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 Peoples Bank of Montross by Peoples Bankshares, Incorporated, and orders that this matter be placed among the ended cases.

CASE NOS. BAN19950487 and BAN19950488
SEPTEMBER 19, 1995

APPLICATIONS OF
COMMERCIAL INTERIM BANK
(in organization)

For authority to do banking business upon the merger into it of BankFirst, National Association and First Commercial Bank

ORDER GRANTING A CERTIFICATE OF AUTHORITY AND APPROVING THE MERGERS

Commercial Interim Bank, a state bank in organization, filed an application pursuant to Va. Code §§ 6.1-13 and 6.1-43 to begin a banking business at 3801 Wilson Boulevard, Arlington County, Virginia, upon the merger into Commercial Interim Bank of BankFirst, National Association. By separate application, simultaneously filed, Commercial Interim Bank sought approval of its merger with First Commercial Bank. The applications were referred to the Bureau of Financial Institutions for investigation.

The Bureau reports that the applicant is an interim bank, formed by United Bankshares, Inc. (Charleston, West Virginia) to effect the conversion to a state charter of its subsidiary, BankFirst, National Association, the merger of BankFirst, National Association with First Commercial Bank of Arlington County, Virginia, and the acquisition by United Bankshares, Inc. of the resulting bank. BankFirst, National Association has its office at 1301 Beverly Road, McLean, Fairfax County, Virginia, and has total assets of some $20 million. First Commercial Bank is a state bank having assets of some $62 million; its office is at 3801 Wilson Boulevard, Arlington County, Virginia. The report of the Bureau concludes that the applicant meets the requirements of Code § 6.1-13 and recommends approval of the applications.

Having considered the application for a certificate of authority and the report of the Commissioner of Financial Institutions, the Commission finds: (1) that all applicable provisions of law have been complied with; (2) that capital sufficient to warrant successful operation will be provided; (3) that the oaths of directors have been duly taken; (4) that the public interest will be served by the proposed banking facilities; (5) that the applicant was formed for no reason other than to conduct a legitimate banking business; (6) that the moral fitness, financial responsibility, and business qualifications of the applicant's officers and directors are such as to command the confidence of the community; and (7) that the bank's deposits will be insured by the Federal Deposit Insurance Corporation.

Accordingly, IT IS ORDERED THAT a certificate of authority to do a banking business be issued, and a certificate is hereby issued to Commercial Interim Bank, subject to the following conditions: (1) that the applicant get all other necessary regulatory approvals of this transaction; (2) that the applicant obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation; (3) that the bank have initial capital stock of $2 million and surplus and a reserve for operation of not less than $13,500,000; (4) that the proposed transactions will become effective within twelve months from this date and that the applicant notify the Bureau on the date when it commences business as a state bank.

IT IS FURTHER ORDERED that the mergers of BankFirst, National Association and of First Commercial Bank into Commercial Interim Bank are hereby approved, effective upon the issuance by the Commission of a certificate of merger merging First Commercial Bank into Commercial Interim Bank, which will then take the title, "First Commercial Bank". The resulting bank, First Commercial Bank, will have its main office at 3801 Wilson Boulevard, Arlington County, Virginia, and that bank is hereby authorized to operate a branch at 1301 Beverly Road, McLean, Fairfax County, Virginia.

CASE NO. BAN19950489
SEPTEMBER 19, 1995

APPLICATION OF
UNITED BANKSHARES, INC.
Parkersburg, West Virginia

To acquire First Commercial Bank 3801 Wilson Boulevard, Arlington, Virginia

ORDER OF APPROVAL

United Bankshares, Inc., a bank holding company having its principal place of business in Parkersburg, West Virginia, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire First Commercial Bank, 3801 Wilson Boulevard, Arlington County, Virginia. First Commercial Bank is to be the resulting bank in certain merger transactions in which BankFirst, National Association (McLean) and First Commercial Bank merge into Commercial Interim Bank; the Commission approved those mergers by orders this date in Case Nos. BAN19950487 and BAN19950488. 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 July 7, 1995. No objection to the proposed acquisition was received.

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

THEREFORE, the Commission hereby approves the application of United Bankshares, Inc. to acquire First Commercial Bank. This matter shall be placed among the ended cases.

CASE NO. BAN19950551
SEPTEMBER 19, 1995

APPLICATION OF
SIGNET BANK/VIRGINIA

To merge with Signet Bank/Maryland

ORDER APPROVING THE MERGER AND AUTHORIZING THE OPERATION OF BRANCHES

Signet Bank/Virginia has applied pursuant to Virginia Code Section 6.1-44.17 to merge with Signet Bank/Maryland (Baltimore). Both banks are wholly-owned subsidiaries of Signet Banking Corporation. Signet Bank/Virginia, having changed its name to "Signet Bank", will be the resulting bank in the merger. The resulting institution will have equity capital of some $626 million consisting of capital stock of $68,242,000 and surplus and a reserve for operation of not less than $558,086,000. The application was referred to the Bureau of Financial Institutions for investigation.

Interstate mergers of banks are authorized by Chapter 301 of the 1995 Acts of the Virginia General Assembly. See Article 5.2, "Interstate Bank Mergers", of Chapter 2, Title 6.1 , Code of Virginia (Virginia Code Section 6.1-44-15, et seq.).

Upon consideration of the application and the report of the Bureau, the Commission finds that the proposed merger will not be detrimental to the safety and soundness of the applicant and will be in the public intrest. There will be no new officer or director of the resulting bank. Furthermore, the Commission finds that the laws of Maryland, on and after September 29, 1995, will permit interstate merger transactions.

ACCORDINGLY, IT IS ORDERED THAT the application of Signet Bank/Virginia to merge with Signet Bank/Maryland is approved, subject to the following conditions: (1) that the applicant comply with the Virginia Stock Corporation Act and receive all other necessary regulatory approvals, and (2) that the merger be accomplished after September 29, 1995, and within one year. The merger will be effective upon the issuance by the Clerk of a certificate of merger. The resulting bank, which will have its main office at 7 North Eighth Street, Richmond, Virginia, shall be authorized to maintain and operate, in addition to its Virginia branches, all the offices in Maryland which were operated by Signet Bank/Maryland prior to the merger; those offices are listed in Attachment A.

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. BAN19950554
SEPTEMBER 19, 1995

APPLICATION OF
SOUTHERN FINANCIAL BANK
(in organization)

For a certificate of authority to begin a banking business at 37 East Main Street, Warrenton, Fauquier County, Virginia, and for approval of a merger

ORDER GRANTING A CERTIFICATE OF AUTHORITY AND APPROVING A MERGER

Southern Financial Bank, a state bank in organization, filed an application, pursuant to Virginia Code Sections 6.1-13 and 6.1-194.40, to begin a banking business at 37 East Main Street, Warrenton upon the merger into Southern Financial Bank of Southern Financial Federal Savings Bank. The proposed state bank sought authority to operate eight branches. The application was referred to the Commissioner of Financial Institutions for investigation.

The Commissioner reports that the applicant was formed to effect the conversion to a state bank of Southern Financial Federal Savings Bank, a federal savings bank having its main office at 37 East Main Street, Warrenton, eight branch offices, and total assets of some $157 million. The report of the Commissioner concludes that the applicant meets the requirements of Code Section 6.1-13 and recommends approval of the application.

Having considered the application and the report of the Commissioner of Financial Institutions, the Commission finds (1) that all applicable provisions of law have been complied with; (2) that capital sufficient to warrant successful operation will be provided; (3) that the oaths of directors have been duly taken; (4) that the public interest will be served by the proposed additional banking facilities; (5) that the applicant was formed for no reason other than to conduct a legitimate banking business; (6) that the moral fitness, financial responsibility, and business qualifications of the applicant's officers and directors are such as to command the confidence of the community; (7) that the bank's deposits will be insured by the Federal Deposit Insurance Corporation.

Accordingly, IT IS ORDERED THAT a certificate of authority to do a banking business as a state bank with its main office at 37 East Main Street, Warrenton, be issued, and a certificate is hereby issued to Southern Financial Bank, subject to the following conditions: (1) that the applicant get shareholder approval and all other necessary regulatory approval of the conversion; (2) that the applicant obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation; (3) that the bank have initial capital stock of $2 million, and surplus and a reserve for operation of not less than $13,233,423; and (4) that the applicant notify the Bureau on the date on which it commences business as a state bank.

IT IS FURTHER ORDERED that the merger of Southern Financial Federal Savings Bank into Southern Financial Bank is approved, effective upon the issuance by the Clerk of a certificate of merger. In accordance with Virginia Code Section 6.1-194.40, Southern Financial Bank will be

authorized to operate the following branch offices: 322 Lee Highway, Warrenton, Fauquier County; 13542 Minnieville Road, Woodbridge, Prince William County; 526 East Market Street, Leesburg, Loudoun County; 362 Elden Street, Herndon, Fairfax County; 2545 Centreville Road, Q18, Herndon, Fairfax County; 35 West Piccadilly Street, City of Winchester; 101 West Washington Street, Middleburg, Loudoun County; and 11180 Lee Highway, Fairfax County. The bank will have one year thereafter to conform its assets and operations to the laws governing banks.

CASE NO. BAN19950555
SEPTEMBER 19, 1995

APPLICATION OF
SOUTHERN FINANCIAL BANCORP, INC.

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came Southern Financial Bancorp, Inc. and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the shares of Southern Financial Bank (in organization), Warrenton, Fauquier County, Virginia. The application was referred to the Bureau of Financial Institutions for investigation.

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

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

CASE NO. BAN19950558
SEPTEMBER 5, 1995

APPLICATION OF
MERCANTILE BANKSHARES CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Mercantile Bankshares Corporation and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire The Sparks State Bank, Sparks, 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 The Sparks State Bank by Mercantile Bankshares Corporation. This matter shall be placed among the ended cases.

CASE NO. BAN19950608
DECEMBER 27, 1995

APPLICATION OF
MENTOR TRUST COMPANY, VIRGINIA

For a certificate of authority to begin business as a trust company at 901 East Byrd Street, West Tower, 6th Floor, Suite 2, City of Richmond, Virginia 23219

ORDER GRANTING A CERTIFICATE OF AUTHORITY

On a former day Mentor Trust Company, Virginia, a corporation organized under the law of this Commonwealth, applied pursuant to Article 3.2 of Chapter 2 of Title 6.1 of the Code of Virginia for a certificate of authority to begin business as a trust company at 901 East Byrd Street, West Tower, 6th Floor, Suite 2, City of Richmond, Virginia 23219. The application was investigated by the Bureau of Financial Institutions.

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

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

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

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

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

(5) The trust company holding company of the applicant is qualified by virtue of its business record, experience, and financial responsibility to control a trust company; and

(6) The operating plan of the trust company warrants belief that the company will conduct business in accordance with generally accepted fiduciary standards.

Accordingly, IT IS ORDERED that a certificate of authority authorizing Mentor Trust Company, Virginia to do a trust business at 901 East Byrd Street, West Tower, 6th Floor, Suite 2, City of Richmond, Virginia 23219 be granted, and the certificate of authority hereby is granted, subject to and contingent upon the following conditions' being met before the trust company opens for business:

(1) That capital funds totaling $2,000,000 be paid into the trust company and allocated as follows: $509,000 to capital stock, $491,000 to surplus, and $1,000,000 to reserve for operations;

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

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

CASE NO. BAN19950615
NOVEMBER 20, 1995

APPLICATION OF
FIRST AMERICAN CORPORATION
Nashville, Tennessee

To acquire Charter Federal Savings Bank, Bristol, Virginia

ORDER DISAPPROVING THE APPLICATION

First American Corporation ("FAC"), a bank holding company having its principal place of business in Tennessee, filed an application pursuant to Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia (Va. Code § 6.1-194.96, ff.) to acquire Charter Federal Savings Bank ("Charter Federal"), a Virginia savings institution having its main office in Bristol, Virginia, and twenty-six branches - sixteen in Virginia and ten in Tennessee. The application was referred to the Bureau of Financial Institutions for investigation, and notice of the filing was published in the Bureau's Weekly Information Bulletin dated September 8, 1995. No objection to the proposed acquisition was received.

Having considered the application and the Bureau's report of investigation herein, the Commission finds that the prerequisites to approval of the application in Va. Code § 6.1-194.98 are present, and, with respect to the requirements in Code § 6.1-194.99, that (1) the proposed acquisition would not be detrimental to the safety or soundness of the applicant or Charter Federal; (2) the applicant, its officers, and directors are qualified by character, experience, and financial responsibility to control and operate a Virginia savings institution; and (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 Charter Federal.

With respect to the requirement that we find the acquisition of Charter Federal to be in the public interest, we are unable to do so.

The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 ("Riegle-Neal"), Pub. L. 103-328, which was enacted by Congress after long deliberation and negotiation, purposely left to the states substantial authority to determine - within limits - how interstate banking in the United States should proceed. In response to Riegle-Neal, the Virginia General Assembly has permitted all forms of interstate banking, subject to a requirement of reciprocity. The Tennessee legislature elected, in keeping with Riegle-Neal authority, to permit interstate mergers -- but to delay such transactions until June 1, 1997.

We believe the framework established by Riegle-Neal and responsive state laws must be followed. In our judgment certain of the transactions described in this application as FAC's "preferred objective" have a questionable legal basis; together they would circumvent Riegle-Neal and have harmful results. One particular Tennessee national bank would be allowed to have three branches in Virginia, while all other Tennessee banks remain barred and Virginia banks may not branch into Tennessee. Competition that is unfair and out of accord with the duly established legal framework would be promoted. As an incidental matter, an incentive for Tennessee to hasten the effective date of its interstate banking laws would be removed. We find that to allow these federal and state laws to be frustrated and to promote unfair competition is not in the public interest. Moreover, the result is contrary to law.

Accordingly, the application of First American Corporation to acquire Charter Federal Savings Bank is hereby disapproved.

CASE NO. BAN19950666
OCTOBER 19, 1995

APPLICATION OF
CRESTAR FINANCIAL CORPORATION

Pursuant to Section 6.1-194.105 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 6.1-194.105, to acquire Loyola Capital Corporation and its savings institution subsidiary, Loyola Federal Savings Bank. 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 financial institution. Therefore the Commission hereby approves the acquisition of Loyola Capital Corporation and its savings institution subsidiary, Loyola Federal Savings Bank, by Crestar Financial Corporation. This matter shall be placed among the ended cases.

CASE NO. BAN19950706
NOVEMBER 9, 1995

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-Southside 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-Southside

ON A FORMER DAY came First Virginia Bank-Colonial, the surviving bank in a proposed merger with First Virginia Bank-Southside, 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-Southside at the following locations: (1) 200 North Main Street, Farmville, Prince Edward County, Virginia; (2) College Plaza Shopping Center, Farmville, Prince Edward County, Virginia; (3) Farmville Shopping Center, Farmville, Prince Edward County, Virginia; (4) Longwood Village Shopping Center, Farmville, Prince Edward County, Virginia; (5) U. S. Route 15, Arvonia, Buckingham County, Virginia; (6) U. S. Route 15, Dillwyn, Buckingham County, Virginia; (7) U. S. Route 15-460 West, Farmville, Prince Edward County, Virginia; (8) U. S. Route 360, Amelia County, Virginia; and (9) State Route 578, Pamplin City, Appomattox 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-Southside 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 $29,125,000 and its surplus and reserve for operations will amount to not less than $34,035,000; (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-Southside.

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-Southside, 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-Southside.

CASE NO. BAN19950750
DECEMBER 21, 1995

APPLICATION OF
HUGO E. PIMIENTA

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Hugo E. Pimienta, The Woodlands, Texas, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of AccuBanc Mortgage Corporation. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19950768
DECEMBER 21, 1995

APPLICATION OF
HIGHLANDS 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 Highlands Bankshares, Inc., 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 Highlands Union Bank, Abingdon, 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 Highlands Union Bank by Highlands Bankshares, Inc. provided that the acquisition becomes effective within twelve months from this date, unless extended, and further provided the Bureau of Financial Institutions is notified, in writing, within ten days of the effective date of the acquisition. The Commission orders that this matter be placed among the ended cases.

CASE NO. BAN19950777
DECEMBER 7, 1995

APPLICATION OF
FIRST UNION CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came First Union Corporation and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire First Fidelity Bancorporation, Newark, New Jersey and its bank subsidiaries as follows: First Fidelity Bank, N.A., Elkton, Maryland; First Fidelity Bank, Stamford, Connecticut; and First Fidelity Bank, Delaware, Wilmington, Delaware. The application was referred to the Bureau of Financial Institutions.

Having considered the aforesaid notice and the report herein of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the proposed acquisition will not affect detrimentally the safety or soundness of any Virginia bank. Therefore, the Commission hereby approves the acquisition of First Fidelity Bancorporation by First Union Corporation. This matter shall be placed among the ended cases.

CASE NOS. BFI940871 and BFI940870
JANUARY 23, 1995

APPLICATIONS OF
SOUTHERN NATIONAL CORPORATION
Lumberton, North Carolina

To acquire Commerce Bank (Virginia Beach)

ORDER OF APPROVAL

Southern National Corporation, an out-of-state bank holding company, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire Commerce Bank (Virginia Beach), a Virginia bank through the acquisition of BB&T Financial Corporation, a North Carolina holding company, and its wholly owned subsidiary, BB&T Financial Corporation of Virginia.

Southern National Corporation also gave notice, in accordance with Virginia Code Section 6.1-406, of its intention to acquire by virtue of the same transaction the banks outside Virginia that are subsidiaries of BB&T Financial Corporation, namely: Branch Banking and Trust Company, Wilson, North Carolina; Branch Banking and Trust Company of South Carolina, Greenville, South Carolina; The Lexington State Bank, Lexington, South Carolina; and The Community Bank of South Carolina, Varnville, South Carolina. The application and the notice were referred to the Bureau of Financial Institutions for investigation. The Bureau published the notices of the applications in its Weekly Information Bulletin dated November 10, 1994, and no objection was received.

Having considered the application, the notice, and the report of the investigation of the Bureau, the Commission finds that (1) the proposed acquisition will not be detrimental to the safety or soundness of Southern National Corporation, BB&T Financial Corporation or Commerce Bank; (2) the applicant, and its officers and directors, are qualified by character, experience and financial responsibility to control and operate a Virginia bank or bank holding company; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of Southern National Corporation, BB&T Financial Corporation or Commerce Bank; and (4) the acquisition is in the public interest. And 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 Southern National Corporation to acquire Commerce Bank though the acquisition of BB&T Financial Corporation and the notice of Southern National Corporation to acquire the banking subsidiaries of BB&T Financial Corporation located outside Virginia. This matter shall be placed among the ended cases.

CASE NO. BFI940873
JANUARY 12, 1995

APPLICATION OF
BUDDY D. MASON

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Buddy D. Mason, Roanoke, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of Salem Financial, LC. 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 Salem Financial, LC by Buddy D. Mason and orders that this matter be placed among the ended cases.

CASE NO. BFI940876
FEBRUARY 21, 1995

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Commission of Financial Institutions reported to the Commission that the Defendant, Signature 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 November 22, 1994; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on December 2, 1994 that he would recommend that its license be revoked on January 3, 1995 unless a new bond was filed

by that date, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before December 22, 1994; 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 Signature Mortgage Corporation to engage in business as a mortgage broker be, and it is hereby, revoked.

CASE NOS. BFI940913 and BFI940912
FEBRUARY 3, 1995

APPLICATIONS OF
CRESTAR FINANCIAL CORPORATION
and
CRESTAR BANK

To acquire TideMark Bank and to merge it into Crestar Bank

ORDER APPROVING THE ACQUISITION AND MERGER

Crestar Financial Corporation, a Virginia bank holding company, applied to acquire TideMark Bank, a federal savings bank, and Crestar Bank, a state bank, applied to merge with TideMark Bank, all pursuant to Virginia Code § 6.1-194.40. The applications were referred to the Bureau of Financial Institutions for investigation.

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

ACCORDINGLY, IT IS ORDERED that the applications of Crestar Financial Corporation to acquire TideMark Bank and of Crestar Bank to merge into itself TideMark Bank are approved. The resulting bank, which will continue to have its main office at 919 East Main Street, City of Richmond, Virginia, will operate as branches the following offices of TideMark Bank: (1) 7115 George Washington Memorial Highway, Gloucester, Gloucester County, Virginia; (2) 301 Hiden Boulevard, City of Newport News, Virginia; (3) 2712 Washington Avenue, City of Newport News, Virginia; and (4) 2100 Executive Drive, City of Hampton, Virginia. Within one year of the merger, as provided by law, the resulting bank shall conform its assets and operations to the provisions of law regulating the operation of banks.

The merger approved by this order shall be effective upon the issuance to Crestar Bank of a certificate of merger of TideMark Bank into Crestar Bank.

CASE NO. BFI940922
FEBRUARY 23, 1995

APPLICATION OF
BANK OF FERRUM (in organization)

For a certificate of authority to do a banking business upon the conversion of The First National Bank of Ferrum

ORDER ISSUING A CERTIFICATE OF AUTHORITY

Bank of Ferrum has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do a banking business as a state bank with its main office at 1 Main Street, Ferrum, Franklin 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, Bank of Ferrum has been incorporated as a Virginia corporation empowered by its certificate of incorporation to do a banking business. The corporation was formed to be the successor of The First National Bank of Ferrum, a national banking association having its main office at 1 Main Street, Ferrum, Franklin County, Virginia. The First National Bank of Ferrum is a subsidiary of Piedmont BankGroup, Incorporated. The bank has assets of approximately $70.1 million, and it operates two branches at: (1) 315 North Main Street, Rocky Mount, Franklin County, Virginia; and (2) east side of U.S. Route 220, approximately 0.3 mile north of its intersection with State Route 674, Bassett, Henry County, Virginia. 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 he recommends approval of this application.

Now having considered the application and the report of the Commissioner of Financial Institutions, the Commission is of the opinion and finds that the procedure required by federal law for conversion has been followed, that the conversion has been approved by the stockholders of the national 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 business as a state bank, with the main office and branches set forth above, be issued to Bank of Ferrum, and such a certificate is issued contingent upon the following conditions being met: (1) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (2) the capital stock of the applicant shall be $2,000,000 and its surplus and reserve for operations will amount to not less than $1,777,000 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. BFI950024
JANUARY 26, 1995

APPLICATION OF
FIRST CITIZENS BANCSHARES, INC.

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came First Citizens BancShares, Inc. and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire State Bank, Fayetteville, North Carolina. The application was referred to the Bureau of Financial Institutions.

Having considered the aforesaid notice and the report herein of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the proposed acquisition will not affect detrimentally the safety or soundness of any Virginia bank. Therefore the Commission hereby approves the acquisition of State Bank by First Citizens BancShares, Inc. This matter shall be placed among the ended cases.

CASE NO. BFI950028
MARCH 2, 1995

APPLICATION OF
WEN-KONG HUGO FON

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Wen-Kong Hugo Fon, Fairfax Station, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of P & A Mortgage Bankers, 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 P & A Mortgage Bankers, Inc. by Wen-Kong Hugo Fon and orders that this matter be placed among the ended cases.

CASE NO. BFI950037
JANUARY 23, 1995

ADMINISTRATIVE ORDER DELEGATING CERTAIN AUTHORITY
TO THE COMMISSIONER OF FINANCIAL INSTITUTIONS

Virginia Code § 12.1-16 provides (in 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.

That statute provides further that the head of the Bureau through which the Commission administers the banking laws shall be designated "Commissioner of Financial Institutions."

The Commission has previously delegated various powers and duties to the Commissioner of Financial Institutions pursuant to this statute, and finds now that certain additional authority conferred upon the Commission under Title 6.1 of the Virginia Code should be delegated to the Commissioner of Financial Institutions in order to promote the efficient administration of said Title.

NOW THEREFORE, finding it lawful and proper to do so, the Commission hereby delegates to the Commissioner of Financial Institutions the authority to exercise its powers and to act for it in the following matters:

(1) To grant or deny petitions relating to service by an individual as a director of more than one financial institution. (§ 6.1-2.7)

(2) To grant a certificate of authority to a bank formed for the purpose of its being acquired under the provisions of Chapter 14 of Title 6.1, or for the purpose of facilitating the consolidation of banks or the acquisition by merger of a bank pursuant to any provision of Title 6.1. (§§ 6.1-13, 6.1-43)

(3) To grant or deny authority to a bank, or to a trust subsidiary, to engage in the trust business or exercise trust powers. (§§ 6.1-16, 6.1-32.5)

(4) To grant or deny authority to a bank or trust company to establish a branch office, or to relocate a main or principal office, or any branch office. (§§ 6.1-39.3, 6.1-32.21)

(5) To grant approval for directors' meetings of a bank to be held less frequently than monthly. (§ 6.1-52)

(6) To grant approval for the investing of more than fifty (50) percent of the aggregate amount of a bank's capital stock, surplus, and undivided profits in its bank building and premises; and to permit the payment of dividends while such investment exceeds 50 percent of capital, surplus, and undivided profits. (§ 6.1-57)

(7) To consent to a bank's investment in more than one service corporation. (§ 6.1-58)

(8) To give permission for the aggregate investment of more than fifty (50) percent of a bank's capital stock and permanent surplus in the stock, securities, or obligations of controlled-subsidiary and bank service corporations. (§ 6.1-58.1)

(9) To give written consent and approval for a bank to hold the possession of certain real estate for a longer period than ten (10) years. (§ 6.1-59(4))

(10) To approve the issuance by a bank of capital notes and debentures, so that such notes and debentures may qualify as surplus for the purpose of calculating the legal lending limit of a bank. (§ 6.1-61)

(11) To give written approval in advance for a bank or trust company to pledge its assets as security for certain temporary purposes. (§ 6.1-80)

(12) To require any bank to prepare and submit such reports and material as he may deem necessary to protect and promote the public interest. (§ 6.1-93)

(13) To approve the issuance of stock in a savings institution in exchange for property or services valued at an amount not less than the aggregate value of the shares issued. (§ 6.1-194.11, § 6.1-194.113)

(14) To reduce temporarily the reserve requirements for a savings institution upon a finding that such reduction is in the best interest of the institution and its members. (§ 6.1-194.23)

(15) To grant a certificate of authority to a savings institution formed solely for the purpose of facilitating the merger or acquisition of savings institutions pursuant to any provision of Title 6.1.

(16) To grant or deny authority to a state association, a state savings bank or a foreign savings institution to establish a branch office, or other office or facility where deposits are accepted (§ 6.1-194.26, § 6.1-194.119), or to change the location of a main or branch office. (§ 6.1-194.28, § 6.1-194.121)

(17) To cause a special examination of a savings institution to be made. (§ 6.1-194.84:1)

(18) To grant or deny authority to a savings institution to exercise fiduciary powers. (§§ 6.1-195.77, et seq.; § 6.1-194.138)

(19) To grant or deny approval to a credit union to maintain a service facility or office (other than a main office). (§ 6.1-225.20)

(20) To approve the investment of credit union funds in certain stock, securities and other obligations. (§ 6.1-225.57(8))

(21) To grant or deny authority to an industrial loan association to relocate its office. (§ 6.1-233)

(22) To grant or deny licenses pursuant to Chapter 6 of Title 6.1. (§ 6.1-256.1)

(23) To grant or deny permission to a consumer finance licensee to change the location of an office. (§ 6.1-269.1)

(24) To grant or deny licenses to engage in the business of selling money orders or the business of money transmission, or both. (§ 6.1-371)

(25) To grant or deny licenses to operate non-profit debt counseling agencies. (§ 6.1-363.1)

(26) To grant or deny licenses to engage in business as a mortgage lender and/or mortgage broker. (§ 6.1-415)

(27) To grant or deny permission to a mortgage lender or mortgage broker licensee to relocate an office or open an additional office. (§ 6.1-416)

(28) To enter into cooperative agreements with appropriate regulatory authorities for the examination of out-of-state bank holding companies and their subsidiaries and out-of-state savings institution holding companies and their subsidiaries and for the accomplishment of other duties imposed on the Commission by Chapter 3.01, Article 11, and by Chapter 15 of Title 6.1.

(29) To prescribe the form and content of all applications, documents, undertakings, papers and information required to be submitted to the Commission under Title 6.1.

(30) To make all investigations and examinations, give all notices, and shorten, waive or extend any time period within which any action of the Commission must or may be taken or performed under Title 6.1.

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

The foregoing delegations of authority shall be effective until revoked by order of the Commission. All actions taken by the Commissioner of Financial Institutions 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. Each delegation set forth in a numbered paragraph herein shall be severable from all others.

This order supersedes and revokes a certain order entitled "Administrative Order Delegating Certain Authority to the Commissioner of Financial Institutions" dated October 18, 1991.

CASE NO. BFI950045
MARCH 2, 1995

APPLICATION OF
DOKNAM C. PYON

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Doknam C. Pyon, Fairfax Station, Virginia, and filed her application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the ownership of P & A Mortgage Bankers, 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 P & A Mortgage Bankers, Inc. by Doknam C. Pyon and orders that this matter be placed among the ended cases.

CASE NO. BFI950051
APRIL 3, 1995

APPLICATION OF
FIRST COMMUNITY BANK OF SALTVILLE
(in organization)

For a certificate of authority to do a banking business upon the conversion of The First National Bank of Saltville

ORDER ISSUING A CERTIFICATE OF AUTHORITY

First Community Bank of Saltville has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do a banking business as a state bank with its main office at 205 Main Street, Saltville, Smyth 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, First Community Bank of Saltville has been incorporated as a Virginia corporation empowered by its certificate of incorporation to do a banking business. The corporation was formed to be the successor of The First National Bank of Saltville, a national banking association having its main office at 205 Main Street, Saltville, Smyth County, Virginia. The First National Bank of Saltville is a subsidiary of Piedmont BankGroup Incorporated. The bank has assets of approximately $82.2 million, and it operates two branches at: (1) south side of U.S. Route 11, approximately 0.75 mile east of State Route 622, Atkins, Smyth County, Virginia; and (2) south side of U.S. Route 11, approximately 0.5 mile east of State Route 107, Chilhowie, Smyth County, Virginia. 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 he recommends approval of this application.

Now having considered the application and the report of the Commissioner of Financial Institutions, the Commission is of the opinion and finds that the procedure required by federal law for conversion has been followed, that the conversion has been approved by the stockholders of the national 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 business as a state bank, with the main office and branches set forth above, be issued to First Community Bank of Saltville, and such a certificate is issued contingent upon the following conditions being met: (1) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (2) the capital stock of the applicant shall be $2,000,000 and its surplus and reserve for operations will amount to not less than $5,989,000 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. BFI950062
MARCH 21, 1995

APPLICATION OF
MARK T. PHAUP

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Mark T. Phaup, Richmond, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 30 percent or more of the ownership of Capitol Financial Services, Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 30 percent or more of the ownership of Capitol Financial Services, Inc. by Mark T. Phaup and orders that this matter be placed among the ended cases.

CASE NO. BFI950087
MAY 11, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of proposed amendment to rules promulgated under the Mortgage Lender and Broker Act

ORDER ADOPTING A REGULATION

By order herein dated February 15, 1995, the Commission directed that notice of a proposed amendment to the Commission's "Rules Governing Mortgage Lenders and Brokers" (VR225-01-1601), which amendment was proposed by the Bureau of Financial Institutions ("the Bureau"), be given. Notice of the proposed amendment was duly published in the Virginia Register and also given to all licensees under the Mortgage Lender and Broker Act ("the Act"). 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 April 3, 1995.

The proposed amendment would require licensees under the Act to deposit monies received from mortgage loan applicants for fees paid to third parties in an escrow account in a bank, savings institution, or credit union segregated from other funds of the licensee. Several licensees filed written comments favoring or opposing the amendment, those opposing taking the position that the escrow account requirement was unnecessary, unnecessarily burdensome, or costly. Written comments were also filed by counsel for the Virginia Mortgage Bankers Association, and by the Virginia Institute of Mortgage Brokers. One request for a hearing was made, but later withdrawn. The Bureau submitted the results of a survey made to determine the cost of maintaining a business escrow account in various Virginia banks.

The Commission, having considered the proposed amendment and all submissions made in this case, concludes that the additional burden to licensees resulting from the escrow account requirement will be modest, and outweighed by the resulting enhanced ability of the Bureau to enforce the Act. The Commission is, therefore, of the opinion that the amendment, as proposed, should be adopted.

THEREFORE, IT IS ORDERED:

(1) That the amended regulation entitled "Rules Governing Mortgage Lenders and Brokers," attached hereto, is adopted effective June 1, 1995;

(2) That the amended regulation shall be transmitted for publication in the Virginia Register; and

(3) That 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 Attachment A entitled "Rules Governing Mortgage Lenders and Brokers" 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. BFI950097
MARCH 29, 1995

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, Winchester, 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 the Potomac, Inc., Herndon, 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 Bank of the Potomac, Inc. by F & M National Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI950098
MARCH 31, 1995

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

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant, City Wide Mortgage, Inc., is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Virginia Code; that a bond filed by the Defendant pursuant to Virginia Code § 6.1-413 was canceled on February 2, 1995; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 14, 1995, that he would propose that its license be revoked on March 14, 1995, unless a new bond was filed by that date, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before March 1, 1995; 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 City Wide Mortgage, Inc. to engage in business as a mortgage lender and broker be, and it is hereby, revoked.

CASE NO. BFI950099
APRIL 18, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting regulations to implement the Trust Company Act

ORDER ADOPTING A REGULATION

By order herein dated February 13, 1995, the Commission directed that notice of a regulation, entitled "Trust Company Regulations" (VR225-01-0205), which had been proposed by the Bureau of Financial Institutions, be given. Interested parties were invited to submit comments and requests for a hearing on or before April 3, 1995.

Comments in support of adopting the regulation were filed on behalf of the Virginia Bankers Association and Wheat First Butcher Singer, Inc. F.E. Deacon, III, President and Chief Executive Officer of Tredegar Trust Company, also submitted suggestions and supported adoption of the regulation. No request for a hearing was made.

It appears to the Commission that the requirements of notice set forth in the previous order herein have been met. Accordingly, having considered the proposed regulation and the comments of interested parties and of the Staff, the Commission is of the opinion that the regulation, with certain amendments as noted should be adopted.

THEREFORE, IT IS ORDERED:

(1) That the amended regulation entitled "Trust Company Regulations", which is attached hereto, be adopted, and it hereby is adopted.

(2) That, there being nothing further to be done in the matter, this case be dismissed and placed among the ended causes.

NOTE: A copy of Attachment A entitled "Trust Company Regulations" 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. BFI950108
DECEMBER 13, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of proposed amendments to rules relating to surety bonds of money order sellers

ORDER ADOPTING AMENDMENTS TO A REGULATION

By order herein dated February 15, 1995, the Commission directed that notice be given of proposed amendments to Virginia Regulation VR225-01-1201 entitled "Surety Bond Standard Required of Money Order Sellers." Notice of the proposed amendments was published in the Virginia Register on March 6, 1995, 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 April 3, 1995.

Several written comments and three written requests for hearing were filed before that date. One commenter proposed that the Commission establish a minimum surety bond requirement of $100,000. Notice of that proposal, and opportunity to file further written comments and requests for a hearing, was published in the Virginia Register on August 21, 1995, and was given to licensees that would be affected thereby. Further written comments were filed and an additional request for hearing was also filed.

By order dated September 7, 1995, this matter was set for hearing before the Commission at 2:00 p.m. on October 11, 1995. At the hearing, appearances and statements were made by or on behalf of the Ad Hoc Industry Group of Non-Bank Money Transmitters; Global Express Money Orders, a licensee; Merchants Express Money Order Company, a licensee; Addington Oil Corporation, a licensee; and the Bureau of Financial Institutions. At the conclusion of the hearing, the Commission directed the Bureau to send new amendments to the persons who appeared at the hearing.

The new amendments were duly sent to such persons and they filed written comments thereon. The new amendments establish minimum and maximum surety bond requirements; create reporting requirements to aid in setting the proper surety bond to be required of individual licensees; require the surety bond to be continuously maintained; and permit the amount of the surety bond to be changed from time to time with changed circumstances.

The Commission, having considered the new amendments and all submissions made in this case, concludes that the new amendments, with certain modifications, fulfill the surety bond requirement of Virginia Code § 6.1-372 and properly protect the interests of purchasers of money orders and money transmission services in Virginia. The Commission is, therefore, of the opinion that the new amendments, as modified, should be adopted.

THEREFORE, IT IS ORDERED THAT:

(1) The amended regulation VR225-01-1201 entitled "Surety Bond Required of Money Order Sellers and Money Transmitters," attached hereto, is adopted effective January 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 Attachment A entitled "Virginia Regulation 225-01-1201 Surety Bond 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. BFI950117
SEPTEMBER 5, 1995

APPLICATION OF
MORTGAGE ENTERPRISES, INCORPORATED

For a license to engage in business as a mortgage broker

ORDER DENYING APPLICATION

On February 10, 1995, the Applicant, Mortgage Enterprises, Incorporated, filed an application with the Bureau of Financial Institutions for a license to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code. After an investigation, the application was denied on April 10, 1995 by the Commissioner of Financial Institutions (the Commissioner) on various grounds. By letter dated April 13, 1995, the Applicant sought Commission review of the Commissioner's denial, and on May 15, 1995 an order was entered setting the case for hearing before the Commission on June 14, 1995.

No person appeared for the Applicant at the scheduled hearing, although the Applicant was given written notice of the hearing. At the conclusion of the June 14, 1995 hearing, the Commission directed the Bureau to afford the principals of the Applicant an opportunity to demonstrate their knowledge of the laws and regulations governing the mortgage broker business. Thereafter, the Bureau reported to the Commission that the Applicant's principals had declined the opportunity so offered. Accordingly, upon consideration of the record in this case,

IT IS ORDERED THAT the application of Mortgage Enterprises, Incorporated for a mortgage broker license is denied, effective as of this date.

CASE NO. BFI950138
MAY 1, 1995

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant, Foxhall 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 17, 1995; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 21, 1995, that he would recommend that its license be revoked on April 21, 1995 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 April 7, 1995; and that no new bond, or written request for hearing, was filed by the Defendant.

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

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

CASE NO. BFI950139
JUNE 21, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of a proposed regulation to be promulgated under the Consumer Finance Act

ORDER ADOPTING A REGULATION

By order herein dated March 27, 1995, the Commission directed that notice of a proposed regulation entitled "Sale of Non-Credit-Related Life Insurance in Consumer Finance Offices" (VR 225-01-0607), which regulation was proposed by the Bureau of Financial Institutions ("the Bureau"), be given. Notice of the proposed amendment was duly published in the Virginia Register and also given to all licensees under the Consumer Finance Act ("the Act"). 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 May 15, 1995.

The proposed regulation would require observance of all applicable laws; prohibit conditioning any loan or extension of credit upon the purchase of life insurance; prohibit solicitation of the sale of life insurance until after any relevant credit transaction is consummated; prohibit the financing of life insurance premiums; provide a right to cancel purchases of life insurance and related disclosures; require compliance with insurance laws; and provide Bureau access to records. Several licensees filed written comments opposing the regulation, taking the position that the rules were unnecessarily burdensome and created competitive disparities in the sale of life insurance. Written comments were also filed by the Virginia Citizens Consumer Council, and by the Bureau. No request for a hearing was made.

The Commission, having considered the proposed regulation and all submissions made in this case, concludes that the regulation, with certain modifications, contains provisions that create an appropriate balance between the interests of borrowers and lenders, and tend to prevent evasions of the provisions and purposes of the Act. The Commission is, therefore, of the opinion that the regulation, as modified, should be adopted.

THEREFORE, IT IS ORDERED:

(1) That the regulation entitled "Sale of Non-Credit-Related Life Insurance in Consumer Finance Offices," attached hereto, is adopted effective July 1, 1995;

(2) That the amended regulation shall be transmitted for publication in the Virginia Register; and

(3) That 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 Attachment A entitled "Sale of Non-Credit-Related Life Insurance in 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.

CASE NO. BFI950141
JULY 7, 1995

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

ORDER REVOKING LICENSE AND ENJOINING VIOLATION

This matter came on for hearing before the Commission July 6, 1995, upon the Rule to Show Cause previously issued and served on the Defendant, requiring it to appear and show cause why its license to engage in business as a mortgage lender and broker should not be revoked and why it should not be penalized pursuant to Virginia Code § 6.1-428. The Bureau of Financial Institutions ("Bureau") was represented by its counsel. The Defendant did not appear.

Counsel for the Bureau stated the case, offered for the record certain documents, and argued that the Defendant's license should be revoked on several grounds pursuant to Code § 6.1-425. The Bureau sought no fine but did request an injunction.

Upon consideration of the evidence and arguments presented, the Commission finds:

(1) Defendant, a California corporation, was licensed September 3, 1992, as a mortgage lender and broker in Virginia;

(2) Defendant brokered 14 Virginia mortgage loans prior to the issuance of its license;

(3) On two occasions, Defendant relocated its California office without the requisite prior approval of the Commission;

(4) Defendant established a Chicago office, from which it originated Virginia mortgage loans, without prior approval of the Commission;

(5) Defendant has failed to file its annual report due March 25, 1995, and failed to pay its annual assessment for 1995-96 due May 25, 1995;

(6) As noted in the Report of Examination dated May 5, 1994, Defendant committed numerous violations of applicable laws regulations, and rulings. Defendant failed to respond timely to the Report of Examination; and

(7) The aforesaid acts and omissions violate the Mortgage Lender and Broker Act and other laws and regulations applicable to the Defendant's licensed business in Virginia, and demonstrate that the financial responsibility, character, and general fitness of the Defendant do not warrant belief that its business will be operated efficiently, fairly, in the public interest, and in accordance with law. Accordingly,

IT IS ORDERED:

(1) That the license of SC Funding Corporation to engage in business in Virginia as a mortgage lender and broker be revoked, and said license hereby is revoked; and

(2) That SC Funding Corporation, its officers, directors, employees, and agents be, and they hereby are, permanently enjoined and restrained from any further violation of the Mortgage Lender and Broker Act.

CASE NO. BFI950142
MAY 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FAR EAST FINANCIAL COMPANY, INC., t/a CENTRAL TRUST MORTGAGE,
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, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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. BFI950145
MAY 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PERFORMANCE MORTGAGE OF COACHELLA VALLEY,
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 lender and broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file its annual report due March 25, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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 lender and broker is hereby revoked.

CASE NO. BFI950147
MAY 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN INDEPENDENT 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 lender and broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file its annual report due March 25, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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 lender and broker is hereby revoked.

CASE NO. BFI950148
MAY 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MORTGAGE ADVANTAGE 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, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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. BFI950148
JUNE 16, 1995

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

ORDER GRANTING RECONSIDERATION AND SETTING A HEARING

On June 15, 1995, the Defendant, by counsel, filed a Petition for Reconsideration and Request for Suspension of Order in this case. The Petition sought suspension or vacation of the Order Revoking License entered herein on May 26, 1995, or other relief, upon various grounds. Upon consideration thereof,

IT IS ORDERED:

(1) That the Order Revoking License entered in this case on May 26, 1995, is vacated; and

(2) That this case is consolidated with, and set for hearing on September 5 and 6, 1995, with, Cases BFI940653 and BFI950038.

CASE NO. BFI950150
MAY 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FINTEK, INC. used in Virginia by
FINANCIAL TECHNOLOGIES, 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, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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. BFI950154
MAY 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TERRI G. JOHNG,
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 her annual report due March 25, 1995, 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 28, 1995, that he would recommend that her license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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. BFI950155
MAY 30, 1995

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business 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, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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. BFI950155
JUNE 8, 1995

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

ORDER REINSTATING LICENSE

ON THIS DAY counsel for the Staff informed the Commission that, as the result of a clerical error, an order was entered in this case on May 30, 1995, revoking the Defendant's license to engage in business as a mortgage broker. Upon consideration thereof,

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is reinstated nunc pro tunc to May 30, 1995.

CASE NO. BFI950157
MAY 26, 1995

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business 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, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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. BFI950160
MAY 26, 1995

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 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, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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. BFI950160
JUNE 16, 1995

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

ORDER REINSTATING LICENSE

ON THIS DAY, the Commissioner of Financial Institutions recommended to the Commission that the Defendant's mortgage broker license, which was revoked by an order entered in this case on May 26, 1995, be reinstated due to extenuating circumstances attending its failure to file its annual report. Upon consideration thereof,

IT IS ORDERED that the license granted to the Defendant to engage in business as a mortgage broker is reinstated nunc pro tunc to May 26, 1995.

CASE NO. BFI950164
MAY 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MORTGAGE ONE FINANCIAL CENTERS, 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 lender and broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to file its annual report due March 25, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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 lender and broker is hereby revoked.

CASE NO. BFI950165
MAY 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MORTGAGE LENDING 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, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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. BFI950166
MAY 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CONTINENTAL 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, 1995, 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 28, 1995, that he would recommend that its license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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. BFI950171
MAY 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

v.

DAVID T. VADEN, t/a MORTGAGE AID FINANCIAL SERVICES OF VIRGINIA,
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 his annual report due March 25, 1995, 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 28, 1995, that he would recommend that his license be revoked unless the annual report was filed by May 23, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before May 16, 1995; and that no annual report or written request for hearing was timely received.

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. BFI950172
JUNE 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of repealing the regulation establishing maximum rates of charge and loan ceilings under the Consumer Finance Act

ORDER REPEALING A REGULATION

By Order herein dated May 10, 1995, the Commission directed that notice be given of its intention to repeal VR225-01-0601, "Establishing Maximum Rates of Charge and Loan Ceilings." The regulation was based on §§ 6.1-271 and 6.1-271.1 of the Code of Virginia, which were repealed, effective July 1, 1995, by Chapter 2 of the 1995 Acts of the General Assembly.

Notice of the proposed repeal was published May 29, 1995, in the Virginia Register; notice was given by mail to all licensees under the Consumer Finance Act ("the Act"), and to the Virginia Financial Services Association, the Virginia Citizens Consumer Counsel, the Virginia Poverty Law Center, and the Office of the Attorney General, Division of Consumer Counsel. An opportunity was afforded until June 19, 1995, for comments or requests for a hearing on the proposed repeal to be filed. No comment or request for a hearing was received.

THEREFORE, IT IS ORDERED:

(1) That VR225-10-0601, "Establishing Maximum Rates of Charge and Loan Ceilings," be repealed, and said regulation hereby is repealed, effective July 1, 1995;

(2) That this Order be sent for publication in the Virginia Register; and

(3) That this case is dismissed. The papers herein shall be placed among the ended cases.

CASE NO. BFI950177
AUGUST 7, 1995

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 ADOPTING REGULATIONS

By order herein dated June 21, 1995, the Commission directed that notice be given of certain amendments to VR225-01-0604, "Rules Governing Open-End Credit Business in Licensed Consumer Finance Offices," and VR225-01-0605, "Rules Governing Real Estate Mortgage Business in Licensed Consumer Finance Offices," which amendments had been proposed by the Bureau of Financial Institutions (the "Bureau"). Notice was duly published July 10, 1995, in the Virginia Register and was also given by the Bureau to all licensees under the Consumer Finance Act (the "Act"), the Virginia Financial Services Association, the Virginia Citizens Consumer Counsel, the Virginia Poverty Law Center, and the Office of the Attorney General. Interested parties were invited to file written comments and requests for a hearing on the proposed amendments on or before July 31, 1995.

Two amendments (i) eliminate the minimum amount of open-end credit agreement or mortgage loan, and (ii) eliminate the prohibition against making a consumer finance loan and an open-end or mortgage loan to the same borrower for the purpose of obtaining a higher interest rate. (The prohibition against such duplicate loans as part of the same transaction is retained.) Credit involuntary unemployment insurance is added to the list of kinds of insurance that may be sold in connection with open-end credit and mortgage loans, and the rules are rearranged and revised to conform to the Virginia Registrar of Regulations' Style Manual.

One licensee filed a written comment which advocated eliminating the prohibition, in each set of Rules, against converting an open-end credit agreement or mortgage loan into a loan made under the Act. No request for a hearing was filed.

The Commission, having considered the proposed regulations and the submission in this case, concludes that the regulations should be adopted as proposed, there being no evidence to support the notion that rates ordinarily charged on loans made under the Act are at a level below those which are available generally in connection with open-end credit or mortgage loans.

THEREFORE, IT IS ORDERED THAT:

(1) The regulations 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.

(2) The regulations, as adopted, shall be transmitted for publication in the Virginia Register.

(3) 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.

CASE NO. BFI950180
JULY 7, 1995

APPLICATION OF
NEWPORT PACIFIC MORTGAGE ACCEPTANCE CORPORATION

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER DENYING THE APPLICATION

Newport Pacific Mortgage Acceptance Corporation, Irvine, California, applied November 8, 1994, pursuant to Virginia Code § 6.1-416.1, for permission to acquire 25 percent or more of the ownership of SC Funding Corporation, a Virginia licensed mortgage lender and broker. The application was referred to the Bureau of Financial Institutions for investigation.

The Bureau reported to the Commission that: (1) Newport Pacific had acquired SC Funding on September 11, 1994, without receiving Commission approval; (2) the applicant did not file an acceptable application until March 27, 1995; (3) the chief financial officer, secretary, and director of the applicant, failed to file his personal financial statement on the form required by the Bureau; and (4) under the ownership and management of the applicant, SC Funding Corporation continued to violate various provisions of the Mortgage Lender and Broker Act and did not comply with Bureau requirements in that it: (a) relocated a Virginia licensed office without receiving Commission approval; (b) failed to notify the Bureau within ten days of appointing new senior officers; (c) did not respond to a May 1994 report of examination in a timely manner; and (d) did not file the annual report required to be filed by March 25 annually and pay the annual fee due May 25, 1995. The Bureau recommended denial of the application.

The applicant requested a hearing in the matter, but did not appear at the designated hour.

Upon consideration of the foregoing, the Commission is of the opinion and finds that the applicant lacks the general fitness to warrant belief that the business will be operated efficiently and fairly, in the public interest, and in accordance with law. Accordingly, the application is denied.

CASE NO. BFI950181
JUNE 28, 1995

Ex Parte: In the matter of Fleet Industrial Loan Company

ORDER CANCELING THE CERTIFICATE OF AUTHORITY

This day came the Bureau of Financial Institutions, by its counsel, and represented to the Commission as follows:

(1) By letters dated February 13, 1995 and April 11, 1995, and by corporate resolution adopted April 24, 1995, Fleet Industrial Loan Company, all the stock of which is owned by Fleet Finance, Inc. (a Delaware corporation), has surrendered its certificate of authority to conduct business as an industrial loan association at 5 Koger Center, Norfolk, Virginia.

(2) Fleet Industrial Loan Company, a Virginia corporation, has resolved to amend its articles of incorporation to change its name to Fleet Loan Company and to eliminate from among its purposes the conduct of business as an industrial loan association; the company is taking appropriate steps with the Office of the Clerk of the Commission to have the records of that office reflect the foregoing amendments.

(3) Fleet Industrial Loan Company is the successor of Residential Industrial Loan Company, which was granted a certificate of authority by order of the Commission dated April 21, 1958 in Case No. 13820. Residential Industrial Loan Company changed its name to Credico Industrial Loan Company, effective December 31, 1980, and Fleet Finance, Inc. purchased all the shares of Credico Industrial Loan Company in October, 1983, and adopted the current name.

(4) Fleet Industrial Loan Company closed its sole office in Virginia, and notified the Bureau of the closing February 13, 1995. The assets, files, books and records were transferred to an office of Fleet Finance, Inc. (R.I.) in Atlanta, Georgia.

(5) The Bureau is of the view that the surrender of the industrial loan certificate by Fleet should be accepted and the certificate canceled.

IT APPEARING to the Commission that it is appropriate in the circumstances to do so, IT IS ORDERED

(1) That the surrender of the certificate authorizing Fleet Industrial Loan Company to do business as an industrial loan association is accepted,

(2) That the certificate be marked "canceled" on the records of the Bureau of Financial Institutions,

(3) That such certificate is declared void and of no further effect, and

(4) That there being nothing further to be done in this matter, the papers herein be placed among the ended cases.

CASE NO. BFI950192
OCTOBER 2, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
STRATEGIC FINANCING GROUP 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 pay its annual fee due May 25, 1995, as required by Virginia Code § 6.1-420; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 25, 1995, that he would propose that its license be revoked on August 25, 1995, and that a written request for hearing was required to be filed in the office of the Clerk on or before August 8, 1995; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by Virginia Code § 6.1-420, and

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

CASE NO. BFI950201
SEPTEMBER 28, 1995

IN THE MATTER OF
The merger of STAUNTON EMPLOYEES CREDIT UNION into WAYNESBORO DUPONT EMPLOYEES CREDIT UNION

ORDER APPROVING THE MERGER

ON THIS DAY came the Staff of the Bureau of Financial Institutions ("Bureau") and counsel and represented to the Commission:

1. Staunton Employees Credit Union ("SECU") is a state-charted credit union having adjusted assets of some $1.7 million as of March 31, 1995. Its office is at 116 W. Beverly Street, Staunton, Virginia, and its share accounts are insured by the National Credit Union Administration ("NCUA") through the National Credit Union Share Insurance Fund ("NCUSIF").

2. Waynesboro DuPont Employees Credit Union ("WDECU") is a state-chartered credit union, having its main office at 301 DuPont Boulevard, Waynesboro, Virginia. Its assets amount to some $205 million, and its accounts are likewise insured through the NCUSIF.

3. On examination as of March 31, 1995, SECU was found to be insolvent, following a substantial embezzlement. Temporary management had replaced the departed, accused manager in January. A subsequent examination in June confirmed SECU's insolvent condition. NCUA agreed to underwrite the payment of second-quarter dividends to SECU account holders. In August a bond claim arising from the embezzlement was settled. Taking into account the settlement and identified operating losses, SECU remains insolvent.

4. Since August SECU's board of directors has been seeking a merger partner for the credit union, in cooperation with the Bureau and NCUA. The Bureau has been informed that SECU and the NCUA have agreed with WDECU on terms under which - with assistance from the NCUSIF - SECU would merge into WDECU and WDECU would take over the assets and assume the liabilities of SECU. Although the existing SECU office would be closed, members of SECU would become members of WDECU, they would continue to have available credit union services, and their deposit accounts would continue to be insured by NCUA.

5. The Bureau has been advised that SECU's temporary manager will be available only through the end of September, 1995, and that no provision for a successor has been made. Furthermore, a transfer of accounts, assets, and liabilities will be accomplished much more easily if done at the end of a quarter.

6. The board of directors of each credit union has adopted a plan of merging SECU into WDECU. WDECU will amend its bylaws, subject to Bureau approval, to include within its field of membership those categories of persons served by SECU prior to the merger.

HAVING CONSIDERED the foregoing and the recommendation of the Bureau, the Commission is of the opinion and finds that Staunton Employees Credit Union is insolvent, that an emergency exists, and that the merger of Staunton Employees Credit Union into another credit union is desirable for the protection of SECU members.

Accordingly IT IS ORDERED, pursuant to Virginia Code § 6.1-225.10, that the merger of Staunton Employees Credit Union into Waynesboro DuPont Employees Credit Union is approved. The merger shall be effective upon the issuance of a certificate of merger by the Clerk of the Commission.

The Bureau shall provide that the notice to the members of SECU required by subsection C. of Code § 6.1-225.10 be given. Management of WDECU shall preserve the relevant books and records of SECU and make them available to SECU members upon request for thirty days after the date the notice is sent.

CASE NO. BFI950201
NOVEMBER 7, 1995

IN THE MATTER OF

The merger of Staunton Employees Credit Union into Waynesboro DuPont Employees Credit Union

ORDER DISMISSING THE CASE

By Order dated September 28, 1995, herein, the Commission found Staunton Employees Credit Union ("SECU")to be insolvent and ordered it merged into Waynesboro DuPont Employees Credit Union. The merger was effective October 1, 1995.

The Bureau of Financial Institutions gave notice October 4 to all members of SECU, advising them of their right to challenge the finding of insolvency within a thirty-day period. Thirty days have passed and no request for a hearing has been filed.

Therefore, the insolvency finding is final by operation of law, viz., Virginia Code § 6.1-225.10, Subsection C. This case is dismissed and shall be placed among the ended cases.

CASE NO. BFI950202
NOVEMBER 30, 1995

APPLICATION OF
FIRST AMERICAN CORPORATION
Nashville, Tennessee

To acquire Charter Federal Savings Bank, Bristol, Virginia

CONSENT ORDER

First American Corporation ("FAC"), a bank holding company having its principal place of business in Tennessee, filed an application pursuant to Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia (Va. Code § 6.1-194.96, ff.) to acquire Charter Federal Savings Bank ("Charter Federal"), a federal savings bank having its main office in Bristol, Virginia, and sixteen branches in Virginia and ten in Tennessee. The application was investigated by the Bureau of Financial Institutions. Notice of the filing was published in the Bureau's Weekly Information Bulletin, and no objection to the proposed acquisition was received. On November 20, 1995, the Commission issued an Order disapproving the application. On November 27, 1995, FAC filed its "Petition of First American Corporation, Nashville, Tennessee, For Expedited Reconsideration and Modification of Order Disapproving Application."

After discussions between FAC and the Bureau of Financial Institutions, and without either party's conceding the validity of the legal position of the other, it appears that FAC is willing to modify the transactions contemplated by its application in a manner acceptable to the Bureau.

Therefore, it appearing to the Commission to be in the interest of justice to do so, IT IS ORDERED THAT the Commission's Order of November 20, 1995, be vacated, and the same hereby is VACATED;

AND IT IS FURTHER ORDERED that FAC's application is hereby approved, provided however that FAC will cause the three branch offices of Charter Federal in Virginia proposed to be acquired by First American National Bank ("FANB"), Nashville, Tennessee, to cease operating as branches of FANB on or before February 8, 1996. (It is understood that the foregoing deadline may be extended as necessary to allow FAC to obtain regulatory approvals in connection with the transfer, sale, closing, or other disposition of the three branches, provided FAC timely files and diligently pursues such approvals.)

Nothing in this Order shall affect the continuing operations in Virginia of Charter Federal (which will change its name to First American Federal Savings Bank) following the consummation of the transactions contemplated by FAC's application.

CLERK'S OFFICE

CASE NO. CLK950046
APRIL 28, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
RICHARD E. GARDINER,
Petitioner
v.
LEAGUE OF WOMEN VOTERS OF VIRGINIA,
Defendant

ORDER OF DISMISSAL

This proceeding was commenced on February 23, 1995, when the Commission issued an Order Establishing Proceeding and Requiring Response as the result of a letter-petition dated January 31, 1995, submitted pursuant to Rule 5:15(b) of the Commission's Rules of Practice and Procedure by Richard E. Gardiner, Esquire ("Gardiner"), and supplemented by letter dated February 21, 1995. The order permitted the League of Women Voters of Virginia ("League") 30 days within which to file an appropriate pleading in response to Gardiner's petition. The League timely filed a responsive pleading.

The petition alleges that the League appeared by its registered lobbyist before committees of the 1995 Virginia General Assembly, testified in opposition to Senate Bill No. 744 and distributed to all members of the legislature a letter stating its opposition to this bill and Senate Bill No. 793 (a review of the legislative records reveals that these bills were identical to each other and contained modifications to the criteria for issuance of a permit to carry a concealed firearm). Gardiner asserts that "in taking a position on th[ese] bill[s], the League acted ultra vires since none of its [corporate] purposes relate[s] to supporting or opposing legislation concerning firearms." The relief sought is that the Commission, pursuant to Va. Code §§ 12.1-13 and 13.1-828, impose a fine upon the League and enjoin it from supporting or opposing legislation concerning firearms.

In its response, the League asks that this proceeding be dismissed with prejudice because there is no statutory basis for Gardiner to file such a petition and that Gardiner be sanctioned for abusing the Commission's process. In the alternative, it asks the Commission to find that the activities complained of are not ultra vires.

Based on information of record in the Clerk's Office of the Commission, the League is a Virginia nonstock corporation which was chartered in December 1951. Paragraph 3 of its articles of incorporation reads as follows:

> 3. The purpose, business, and objects of this corporation are to foster good citizenship and to support needed legislation, to encourage interest in government and in the State's and Nation's problems; to promote participation by the enfranchised women in the civic life of our country; to stimulate activity in public affairs, particularly registering and voting at every election; to develop intelligent use of votes by the women of the State of Virginia and of the United States; to urge every woman to become an enrolled voter in the party of her choice, but as an organization, it shall be allied with and support no party; to render such other benevolent services in the interest of good citizenship as may be possible, and for the mutual improvement of the members, and to do every act appropriate or necessary to carry out any of the foregoing objects.

The doctrine of ultra vires applicable to Virginia nonstock corporations is set forth in Code § 13.1-828. As indicated in subsection A of § 13.1-828, the allegation of ultra vires raises the issue of whether a corporation has the power to do a particular act. Subsection B enumerates the three instances in which a corporation's lack of power to act may be raised: (i) in a proceeding by a member or director of the corporation, (ii) in a proceeding by the corporation directly or indirectly or (iii) in a proceeding against the corporation before the Commission.

The complaint made by Gardiner appears to be a matter of whether the League properly approached the General Assembly. The manner in which the General Assembly may hear citizens' views is addressed by laws which apply directly to lobbying activities and lobbyists. The Commission has stated previously that its powers under the corporate laws should not be used as a vehicle to litigate matters which are otherwise within the jurisdiction of other tribunals, Commonwealth, ex rel. Roy L. Perry v. Anti-Defamation League of B'nai B'rith, Case No. CLK930800 (Mar. 2, 1994), an admonition which is equally applicable to matters within the cognizance of the General Assembly. The petition should be dismissed for this reason alone.

Code § 13.1-826 provides that "every corporation has . . . the same powers as an individual to do all things necessary or convenient to carry out its business . . ." unless limited by its articles of incorporation. The opportunity for individuals to express their views and opinions to lawmakers, whether such expressions are motivated by personal, business or other reasons, is an accepted, integral part of the legislative process of this Commonwealth and this country. Va. Const., art. I, § 12. A determination that a Virginia corporation is to be treated differently and that it lacks the capacity to publicly voice its view on legislation should be based on a charter or statutory provision that unmistakably disqualifies the entity from exercising this opportunity. Gardiner has not cited such a provision, none appears in the League's articles of incorporation, and the Commission does not believe that § 13.1-828 was intended to allow it, under the guise of ultra vires, to prevent corporations from engaging in such otherwise permissible activity.

For the foregoing reasons, the Commission is of the opinion and finds that this proceeding should be dismissed. It is, therefore,

ORDERED that this matter be, and it hereby is, dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. CLK950660
DECEMBER 5, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
ROBERT S. REYNOLDS,
Petitioner
v.
COUNCIL ON FOREIGN RELATIONS, INC.,
Defendant

ORDER OF DISMISSAL

This matter is before the Commission as the result of the petition filed by Robert S. Reynolds, pro se, on August 18, 1995, and the Commission's Order Establishing Proceeding entered on September 1, 1995. In accordance with the Order Establishing Proceeding, the Council on Foreign Relations, Inc., by its counsel, filed a response to the petition in the form of a motion to dismiss the petition, and both parties filed a pleading addressing the jurisdictional questions posed by the Commission in the Order. Reynolds filed, and subsequently withdrew, a motion to quash the Council's motion to dismiss. Reynolds also filed a response to the motion to dismiss along with a motion to file his response out of time.

The gist of the petition is that the Council is a foreign corporation doing business in Virginia without authority to transact business in this Commonwealth (an inspection of the Commission's corporate records confirmed that, as of the date the petition was filed, there was no corporation authorized to transact business in Virginia with the name "Council on Foreign Relations, Inc."). For the purpose of ruling on the Council's motion to dismiss, the Commission will take as true the factual allegations set out in the petition as well as the factual statements contained in Reynolds' affidavit attached to his response to the motion to dismiss. Notwithstanding these assumed facts, the Commission is of the opinion and finds that the Council has insufficient contact with Virginia to require it to obtain a certificate of authority and, therefore, the petition should be dismissed.

Construing the relevant allegations and statements in the way most favorable to the Petitioner, it appears that the Council is a corporation which was formed under the laws of the State of New York in 1921. The Council has established a number of committees throughout the United States, one of which is located in the area of Charlottesville, Virginia. Each committee has its own officers and is supervised by a director of the Council. Once each month during the months of September through May, the Charlottesville committee rents rooms in a local inn for a private dinner and to listen to a person who may have come from another state or country speak on foreign affairs. Prospective members are invited to the dinner meetings, one purpose of which is to recruit persons to become members of the Council.

The Virginia corporate law prohibits a foreign corporation from transacting business in the Commonwealth until it has obtained a certificate of authority from the Commission, Va. Code §§ 13.1-757 (stock corporations) and 13.1-919 (nonstock corporations). These Code sections also set forth a non-exhaustive list of activities that do not constitute doing business in Virginia within the meaning of the corporate law. One such activity, set forth in subsection B 2 of Code § 13.1-919, is "[h]olding meetings of the board of directors or members or carrying on other activities concerning internal corporate affairs[.]"*

Nothing in Reynolds' pleadings indicates that the assumed in-state activities of the Council are beyond the exclusion of subsection B 2. Consequently, there is no basis to conclude that the Council is transacting business in the Commonwealth to the extent that it must obtain a certificate of authority. Accordingly, it is

ORDERED THAT:

(1) Reynolds' motion to file out of time be, and it hereby is, granted.

(2) The Council's motion to dismiss the petition be, and it hereby is, granted and that this case is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

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* Code § 13.1-757 B 2 contains identical language except that the term "shareholders" is used instead of "members."

BUREAU OF INSURANCE

CASE NO. INS920406
JANUARY 4, 1995

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein January 11, 1993, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, by order entered in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, Defendant was found insolvent and was ordered to be liquidated by the Department of Insurance of the State of Florida; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to January 18, 1995, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia, pursuant to Virginia Code § 38.2-1040, unless on or before January 18, 1995, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a request for a hearing before the Commission with respect to the proposed revocation of Defendant's license.

CASE NO. INS920406
JANUARY 19, 1995

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein January 4, 1995, Defendant was ordered to take notice that the Commission would enter an order subsequent to January 18, 1995, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before January 18, 1995, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed revocation of Defendant's license; and

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

THEREFORE IT IS ORDERED:

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

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

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

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

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

CASE NO. INS920417
JANUARY 11, 1995

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

FINAL ORDER

WHEREAS, by order entered herein December 8, 1992, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, by letter filed herein, Defendant, by its Special Deputy Receiver, surrendered its Virginia insurance license to the Commission;

WHEREAS, the Bureau of Insurance has recommended that the Commission accept the surrender of Defendant's Virginia insurance license; and

THE COMMISSION, having considered Defendant's request to surrender its license and the law applicable hereto, is of the opinion that the request should be granted;

THEREFORE, IT IS ORDERED:

(1) That Old Colony 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) That the papers herein be placed in the file for ended causes.

CASE NO. INS930069
JANUARY 11, 1995

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein June 15, 1993, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, by order entered in the Superior Court of Wake County, North Carolina, Defendant was found insolvent and was ordered to be liquidated by the Commissioner of Insurance of the State of North Carolina.

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to January 24, 1995, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia, pursuant to Virginia Code § 38.2-1040, unless on or before January 24, 1995, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a request for a hearing before the Commission with respect to the proposed revocation of Defendant's license.

CASE NO. INS930069
JANUARY 26, 1995

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein January 11, 1995, Defendant was ordered to take notice that the Commission would enter an order subsequent to January 24, 1995, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before January 24, 1995, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed revocation of Defendant's license; and

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

THEREFORE IT IS ORDERED:

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

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

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

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

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

CASE NO. INS930076
AUGUST 24, 1995

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

ORDER

ON A FORMER DAY came Centurion Health and Welfare Plan ("Centurion") and filed with the Clerk of the Commission a Motion requesting that the Commission enter an order removing the restrictions contained in the Commission's Consent Order of July 1, 1993, or failing such relief, schedule a hearing to permit Centurion to present evidence and oral argument in this matter;

WHEREAS, the Bureau of Insurance (the "Bureau") filed Response in Opposition to the relief requested by Centurion in its Motion, to which Centurion filed a Rebuttal Memorandum;

WHEREAS, pursuant to Centurion's request, the Commission conducted a hearing on July 27, 1995, for the purpose of hearing argument from Centurion and the Bureau on their respective pleadings;

THE COMMISSION, having considered Centurion's Motion and Rebuttal Memorandum, the Bureau's Response, and the argument of counsel, is of the opinion that Centurion's Motion should be denied and that the Consent Order should remain in effect until further order of the Commission;

THEREFORE, IT IS ORDERED that the Motion filed herein by Centurion Health and Welfare Plan be, and it is hereby, DENIED.

CASE NO. INS930076
DECEMBER 14, 1995

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

OPINION

On April 20, 1993, the State Corporation Commission (the "Commission") issued an Order to Take Notice alleging that Centurion Health and Welfare Plan ("Centurion") was a multiple employer welfare arrangement domiciled in the Commonwealth of Virginia and operating in violation of Title 38.2 of the Code of Virginia and the Commission's Rules Governing Multiple Employer Welfare Arrangements adopted in Case No. INS910244. The Commission ordered Centurion to take notice that the Commission would enter an order subsequent to April 30, 1993, (i) permanently enjoining Centurion from operating a multiple employer welfare arrangement in the Commonwealth of Virginia, (ii) imposing a monetary penalty against Centurion for operating an unlicensed multiple employer welfare arrangement in the Commonwealth of Virginia; and (iii) requiring Centurion to make restitution, in accordance with Virginia Code § 38.2-218.D.c, for unpaid health care claims, unless on or before April 30, 1993, Centurion filed a responsive pleading and a request for a hearing.

On May 12, 1993, Centurion filed their response to the Order to Take Notice. Centurion responded that: (i) they were a plan or arrangement which was established and maintained under an agreement between Ocean Breeze Festival Park, Inc. ("Ocean Breeze") and the Virginia Beach Policemen's Benevolent Association ("VBPBA"); (ii) the United States Department of Labor ("DOL") advised Centurion that DOL was not prepared to make a finding that the agreement between Ocean Breeze and VBPBA was a collective bargaining agreement as that term is used in the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. § 1002(40)(A)(i); (iii) Virginia Code § 38.2-3421 permits the Commission to determine whether the agreement between Ocean Breeze and VBPBA is a collective bargaining agreement; and (iv) Centurion is not a multiple employer welfare arrangement as defined in the Commission's Rules Governing Multiple Employer Welfare Arrangements.

Under ERISA, 29 U.S.C. § 1002(40)(A)(i), the Secretary of Labor may make a determination whether a specific employee welfare benefit plan is established or maintained pursuant to one or more collective bargaining agreements. Once such a determination is made, the plan is exempt from the definition of multiple employer welfare arrangement in ERISA and also exempt from any state insurance regulation. Under ERISA, 29 U.S.C. § 1144(b)(6)(A), state insurance regulation is premised on the fact that an employee welfare benefit plan is also a multiple employer welfare arrangement.

In order to afford Centurion sufficient opportunity to obtain a definitive Advisory Opinion from DOL pursuant to ERISA Procedure 76-1 on the question whether Centurion is maintained under or pursuant to one or more collective bargaining agreements, or a determination by a court of competent jurisdiction whether Centurion is maintained under or pursuant to one or more collective bargaining agreements, Centurion voluntarily agreed to the entry of a Consent Order by the Commission. Centurion agreed until further order of the Commission, not to enroll any new participants who are residents of the Commonwealth of Virginia except for new employees of existing employer groups and newborn children or newly acquired dependents of existing participants. The Consent Order was entered by the Commission on July 1, 1993.

After several unsuccessful attempts by Centurion to obtain an Advisory Opinion from DOL, Centurion filed suit in the United States District Court for the Eastern District of Virginia (the "District Court") against DOL seeking one of the following forms of relief: (i) a declaratory judgment that Centurion was established pursuant to a collective bargaining agreement; (ii) a writ of mandamus ordering the Secretary of Labor to make a determination that Centurion was established pursuant to a collective bargaining agreement; or (iii) an injunction requiring the Secretary of Labor to issue a letter stating that Centurion was established pursuant to a collective bargaining agreement. Ocean Breeze Festival Park, Inc. v. Reich, 853 F. Supp. 906, 910 (E.D. Va. 1994).

The District Court dismissed Ocean Breeze on the grounds that the Court lacked subject matter jurisdiction. The District Court found that the suit had been brought by improper party plaintiffs and granted DOL's motion to dismiss. The District Court, however, granted the plaintiffs' motion to amend their pleadings. Ocean Breeze, 853 F. Supp. at 919.

Proper Plaintiffs, VBPBA, Robert W. Mathieson and Michael F. Gelardi, joint trustees of Centurion, subsequently filed an Amended Complaint in the District Court seeking the same relief as was sought in Ocean Breeze. Virginia Beach Policemen's Benevolent Ass'n v. Reich, 881 F. Supp. 1059, 1063 (E.D. Va. 1995).

In Virginia Beach Policemen's Benevolent Ass'n, the District Court made two substantive findings. First, the District Court found:

> It is clear that, through ERISA Section 3(40)(A)(i) [29 U.S.C. § 1002(40)(A)(i)], Congress intended to promote state regulation of MEWAs. The Court finds that, consistent with the legislative history, only if the Secretary [of Labor] chooses to make a finding, would a MEWA receive exemption from state regulation. This interpretation concurs with a feasible construction of the ambiguous language of the section.

Id. at 1070.

Secondly, the District Court found:

> because the Secretary of Labor cannot be compelled to make a ruling on whether the Centurion Plan is established or maintained under a collective bargaining agreement under the APA [Administrative Procedure Act], there is no jurisdictional basis for establishing declaratory relief.

Id. at 1074.

The District Court granted DOL's motion for summary judgment and denied Centurion's motion for summary judgment.

Since the Secretary of Labor has not made a finding pursuant to ERISA, 29 U.S.C. § 1002(40)(A)(i), and because a court may not make such a finding, then, consistent with the District Court's opinion in Virginia Beach Policemen's Benevolent Ass'n, Centurion is subject to state insurance regulation.

In order to avoid the adverse decision they received in Virginia Beach Policemen's Benevolent Ass'n, the VBPBA and the trustees of Centurion filed another suit in the District Court seeking to enjoin the Commissioner or Superintendent of Insurance for either the state of Colorado, Pennsylvania, New Jersey, or New York from exercising regulatory authority over the Centurion Health and Welfare Plan, and seeking a declaratory judgment that Centurion was exempt from state regulation under ERISA. Gelardi, et al. v. Karpinski, et al., Civil Action No. 2:95cv244 (E.D. Va. Apr. 24, 1995).

In Gelardi, the District Court found that:

> It is clear from the extensive memoranda of the parties, the oral argument before the Court, the nexus of plaintiffs prior case and from Judge Smith's opinion that the ERISA issue brought in this case was litigated fully and fairly before Judge Smith in Virginia Beach PBA. Plaintiffs asked Judge Smith to find that they were exempt from state regulation, and she found that the Court did not have the power to make such a ruling. Plaintiffs now ask this Court for the same relief. Virginia Beach PBA and remanding the case back to Judge Smith; collateral estoppel bars this portion of plaintiffs current case.

Gelardi at 11.

The District Court dismissed that portion of Centurion's complaint which asked for a declaratory judgment that under ERISA it was exempt from state insurance regulation.

Centurion has appealed the decisions in Virginia Beach Policemen's Benevolent Ass'n and Gelardi to the United States Court of Appeals for the Fourth Circuit. Virginia Beach Policemen's Benevolent Association, Inc. et al. v. Reich, Record No. 95-1773 and 95-2013.

By letter dated April 26, 1995, the Commissioner of Insurance advised counsel for Centurion that absent a finding by the Secretary of Labor that Centurion is a collectively-bargained plan, Centurion is subject to state insurance regulation. The Commissioner further advised Centurion's counsel that there were four options available to the plan: (i) they may continue to operate under the terms of the Commission's Consent Order until they exhausted their appeal in Virginia Beach Policemen's Benevolent Ass'n, (ii) they may fully insure their plan and file the necessary documents with the Bureau of Insurance to operate in Virginia; (iii) they may file an application with the Bureau of Insurance to obtain a license as either an insurance company, health services plan, or health maintenance organization; or (iv) they may voluntarily cease operating in Virginia.

On June 29, 1995, Centurion filed a Motion with the Commission requesting that the Commission remove the restrictions contained in its Consent Order, or failing such relief, schedule a hearing to permit Centurion to present evidence and oral argument. In its motion, Centurion argued that the District Court in Ocean Breeze had made a finding that Centurion is maintained under or pursuant to one or more collective bargaining agreements. Centurion relied on a statement made by Judge Smith where, in reciting the facts, she states:

> On October 28, 1992, Ocean Breeze and the PBA entered into a valid collective bargaining agreement under the NLRA, 29 U.S.C. § 159(a).

Ocean Breeze at 909.

The Bureau of Insurance opposed Centurion's Motion on the basis that the District Court ultimately found in Virginia Beach Policemen's Benevolent Ass'n that the Court did not have jurisdiction to make a finding whether or not Centurion was established or maintained pursuant to one or more collective bargaining agreements.

On July 27, 1995, the Commission conducted a hearing for the purpose of hearing argument from Centurion and the Bureau of Insurance on their respective pleadings. On August 24, 1995, the Commission entered an order denying Centurion's motion. At the present time, the Consent Order entered by the Commission remains in effect.

In reviewing the District Court's decisions in Ocean Breeze and Virginia Beach Policemen's Benevolent Ass'n, it should be readily apparent to even the most casual observer that the District Court did not make a finding that Centurion was established or maintained pursuant to one or more collective bargaining agreements pursuant to ERISA, 29 U.S.C. § 1002(40)(A)(i). In Virginia Beach Policemen's Benevolent Ass'n, the District Court makes it absolutely clear that it does not have jurisdiction to render such a decision. The factual recitation by the District Court is simply that a collective bargaining agreement exists between a union and an employer. It is not, and could not be, a finding that the Centurion Plan was established or maintained pursuant to a collective bargaining agreement. The District Court had no jurisdiction to make such a finding.

Since the District Court held in Virginia Beach Policemen's Benevolent Ass'n that multiple employer welfare arrangements are subject to state insurance regulation until the Secretary of Labor makes a finding that the plan was established or maintained pursuant to one or more collective bargaining agreements, Centurion has failed to satisfy the requirements for removal of the business restrictions imposed by the Consent Order. The Commission, therefore, denied Centurion's request to remove the restrictions.

CASE NO. INS930531
JUNE 13, 1995

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein February 2, 1994, for the reasons stated therein, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended;

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

WHEREAS, by order entered in the Third District Court of Salt Lake County, Utah on November 8, 1994, Defendant was found to be in hazardous financial condition and insolvent, and was ordered to be liquidated by the Utah Insurance Commissioner; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to June 26, 1995, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 26, 1995, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a request for a hearing before the Commission with respect to the proposed revocation of Defendant's license.

CASE NO. INS930531
JUNE 29, 1995

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein June 13, 1995, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 26, 1995, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia, unless on or before June 26, 1995, 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, 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:

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

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

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

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

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

CASE NO. INS940065
APRIL 14, 1995

PETITION OF
BARTHOLOMEW CORPORATION

For a review of a decision by the National Council on Compensation Insurance pursuant to Virginia Code § 38.2-2018

FINAL ORDER

WHEREAS, by order of the Commission, a Hearing Examiner conducted a hearing on January 24, 1995, for the purpose of hearing an appeal of a decision by the National Council on Compensation Insurance ("NCCI") which transferred the workers' compensation insurance experience rating modification of Skill Dynamics Corporation ("Skill Dynamics") to Bartholomew Corporation ("Bartholomew");

WHEREAS, at the aforesaid hearing, NCCI and Bartholomew submitted documentary evidence and the testimony of witnesses in support of their respective cases;

WHEREAS, on March 9, 1995, the Commission's Hearing Examiner issued his Final Report, to which each of the parties timely filed written comments; and

THE COMMISSION, having considered the report and recommendation of its Hearing Examiner, the evidence and testimony adduced at the hearing, and the law applicable hereto, is of the opinion that no "change in ownership" occurred pursuant to Part III, Rule B of NCCI's Experience Rating Plan Manual. Specifically, the record herein does not support a finding that the requirements of either Rules B.a or B.b were satisfied. Bartholomew never purchased any ownership interest in Skill Dynamics, nor did they take over the operations of Skill Dynamics. The other rules for determining "change of ownership" simply do not apply in this case. Since no "change of ownership" occurred, as defined in NCCI's Experience Rating Plan Manual, NCCI should not have transferred Skill Dynamics' experience rating modification to Bartholomew. Therefore, NCCI's decision to transfer the experience rating modification should be reversed.

IT IS ORDERED:

(1) That, for the reasons stated herein, the Petition of Bartholomew Corporation be, and it is hereby, GRANTED; and

(2) That, the National Council on Compensation Insurance's decision to transfer the workers' compensation insurance experience rating modification of Skill Dynamics Corporation to Bartholomew Corporation be, and it is hereby, REVERSED.

CASE NO. INS940066
APRIL 14, 1995

PETITION OF
WILCON, LTD.
and
SUBURBAN CABLE COMPANY

For a review of a decision by the National Council on Compensation Insurance pursuant to Virginia Code § 38.2-2018

FINAL ORDER

WHEREAS, by order of the Commission, a Hearing Examiner conducted a hearing on September 21, 1994, for the purpose of hearing an appeal of a decision by the National Council on Compensation Insurance ("NCCI") which transferred the workers' compensation insurance experience rating modification of Eastern Technical Communications, Inc. ("ETC") to Wilcon Ltd. ("Wilcon") and Suburban Cable Company ("Suburban");

WHEREAS, at the aforesaid hearing, NCCI, Wilcon and Suburban submitted documentary evidence and the testimony of witnesses in support of their respective cases;

WHEREAS, on February 17, 1995, the Commission's Hearing Examiner issued her Final Report, to which NCCI timely filed written comments; and

THE COMMISSION, having considered the report and recommendation of its Hearing Examiner, the evidence and testimony adduced at the hearing, and the law applicable hereto, adopts the Hearing Examiner's findings of fact and conclusions of law as its own;

THEREFORE, IT IS ORDERED:

(1) That, the Petition of Wilcon Ltd. and Suburban Cable Company be, and it is hereby, GRANTED; and

(2) That, the National Council on Compensation Insurance's decision to transfer the workers' compensation insurance experience rating modification of Eastern Technical Communications, Inc. to Wilcon Ltd. and Suburban Cable Company be, and it is hereby, REVERSED.

CASE NO. INS940086
JULY 7, 1995

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,
Defendants

CONSENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, a Texas-domiciled multiple employer welfare arrangement not licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated Virginia Code § 38.2-1024 and Section 5 of the Commission's Rules Governing Multiple Employer Welfare Arrangements;

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 Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have:

(1) agreed to immediately stop enrolling any new participants who are residents of the Commonwealth of Virginia except for newborn children or newly acquired dependents of existing participants;

(2) agreed not to solicit any new or renewal business in Virginia until a court of competent jurisdiction determines whether Defendants are a fully-insured ERISA-covered multiple employer welfare arrangement and, if the determination is that Defendants are a fully-insured ERISA-covered multiple employer welfare arrangement, Defendants have agreed to file with the Commission pursuant to Section 5 of the Commission's Rules Governing Multiple Employer Welfare Arrangements;

(3) agreed to wind-down orderly their business in Virginia by June 30, 1996;

(4) agreed to provide all participants with a copy of this order together with a notice of the effective date of termination of their coverage within forty-five (45) days of the date of this order;

(5) agreed to pay all covered claims of Virginia participants in accordance with the Plan Document and Summary Plan Description by August 31, 1996;

(6) tendered to the Commonwealth of Virginia the sum of seven thousand five hundred dollars ($7,500);

(7) waived their right to a hearing; and

(8) agreed to file an affidavit with the Bureau of Insurance on or before September 30, 1996, confirming that Defendants have complied with the terms of this Consent Order; and

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

IT IS ORDERED:

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

(2) That the Commission shall retain jurisdiction in this matter pending receipt of the affidavit that all covered Virginia claims have been paid and until further order of the Commission.

CASE NO. INS940117
MARCH 20, 1995

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

FINAL ORDER

WHEREAS, by order entered herein August 11, 1994, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, Defendant's 1994 Annual Statement, filed with the Commission's Bureau of Insurance, indicates a surplus to policyholders of $3,255,229 as of December 31, 1994;

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

THE COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Impairment Order entered by the Commission should be, and it is hereby, VACATED.

CASE NO. INS940119
MAY 2, 1995

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

FINAL ORDER

WHEREAS, by order entered herein August 11, 1994, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

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

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

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

THEREFORE, IT IS ORDERED:

(1) That the Impairment Order entered herein be, and it is hereby, VACATED; and

(2) That the papers herein be passed to the file for ended causes.

CASE NO. INS940143
MARCH 23, 1995

COMMONWEALTH OF VIRGINIA
At the relation of
JOHN M. TIMBERLAKE,
Petitioner
v.
METROPOLITAN INSURANCE AND ANNUITY COMPANY,
Defendant

FINAL ORDER

On September 6, 1994, John M.. Timberlake, pro se, filed a Petition alleging that Metropolitan Insurance and Annuity Company, Defendant, made misrepresentations to him in violation of certain provisions of the Unfair Trade Practices Chapter of the Virginia Code (§§ 38.2-500 - 38.2-517).

Petitioner further alleged a violation of § 38.2-3314 of the Code which requires life insurance policies to bear a title to "briefly and accurately describe the nature and the form of the policy."

The Petition concluded with a demand for judgment in favor of the Petitioner in a specified sum in money damages.

The Petition also included the name of "E. Lynn Rockwell (agent)" below the name of the insurance company and the word "Defendant" then appearing below those entities. Subsequent correspondence by Petitioner to the Clerk of this Commission indicated that the Petitioner intended to join the individual as a party defendant, yet none of the several pleadings filed by the Petitioner contain any allegations whatsoever to explain any connection E. Lynn Rockwell may have with this case.

No responsive pleadings were ordered and none were filed on behalf of Rockwell.

In response to the Petition Metropolitan filed an Answer, Demurrer, and Motion to Dismiss. Pursuant to Commission order, each party filed a memorandum of law.

Having considered the pleadings and memoranda of law, the Commission is of the opinion that the law is settled in the Commonwealth that the Unfair Trade Practices provisions of Title 38.2 of the Virginia Code do not create a private cause of action for damages against an insurance company in consequence of violation. However, the Unfair Trade Practices chapter, while not enlarging individual litigation rights, does not detract from the rights and remedies otherwise available to an individual seeking redress at law or in equity. Since this Petition seeks money damages benefiting an individual because of alleged violations of the Unfair Trade Practices chapter of the Insurance Code, it must be dismissed. Moreover, consideration of the alleged violation of § 38.2-3314 of the Virginia Code provides no basis upon which to grant the relief sought by the Petitioner. Dismissal hereof shall be without prejudice to Petitioner's rights as they may otherwise exist at law as determined in another forum.

Although the status of E. Lynn Rockwell (agent) as a party to this case is doubtful, to the extent that he may be a defendant, the Petition must be dismissed as to him.

Therefore, IT IS ORDERED that the Petition of John M. Timberlake be, and the same hereby is, DISMISSED.

CASE NO. INS940143
APRIL 11, 1995

COMMONWEALTH OF VIRGINIA
At the relation of
JOHN M. TIMBERLAKE,
Petitioner
v.
METROPOLITAN INSURANCE AND ANNUITY COMPANY,
Defendant

ORDER

ON A FORMER DAY came John M. Timberlake, pro se, and filed with the Clerk of the Commission a Petition for Rehearing or Reconsideration of the Commission's Final Order entered on March 23, 1995; and

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

THEREFORE, IT IS ORDERED:

(1) That the Petition for Rehearing or Reconsideration filed herein by John M. Timberlake be, and it is hereby, DENIED; and

(2) That the request of John M. Timberlake for a stay of the Commission's Final Order be, and it is hereby, DENIED.

CASE NO. INS940143
JULY 24, 1995

COMMONWEALTH OF VIRGINIA
At the relation of
JOHN M. TIMBERLAKE,
Petitioner
v.
METROPOLITAN INSURANCE AND ANNUITY COMPANY,
Defendant

OPINION

On September 6, 1994, John M. Timberlake ("Timberlake"), pro se, filed a Petition with the Commission alleging that Metropolitan Insurance and Annuity Company ("Metropolitan") and E. Lynn Rockwell ("Rockwell") violated provisions of the Unfair Trade Practices Act (the "Act"), namely Virginia Code §§ 38.2-502.1, 38.2-502.5, and 38.2-503, and that they violated Virginia Code § 38.2-3314, when Metropolitan promoted and sold him a

life insurance policy (the "policy"). Timberlake alleged that Metropolitan unlawfully promoted a "Single Premium Life Policy" as a "Retirement Saving Plan" and later changed the policy and imposed a monthly premium charge notwithstanding the fact the policy was sold as a "Single Premium Life Policy." Timberlake requested relief in the form of rescission of the alleged change in the policy or, in the alternative, damages in the amount of $16,852.00.

In 1987, Timberlake purchased from Metropolitan a "Single Premium Life Policy" which provided $75,000 in life insurance. The policy had two parts: (1) a life insurance component which was provided in the form of term insurance; and (2) a cash value component which was provided by the accumulation fund. From April 1987 until May 1993, Metropolitan recovered the cost of the term insurance from the difference between the amount earned on Metropolitan's investment of the policyholder's premium and the interest credited to the policy.

In May of 1993, Metropolitan notified Timberlake that due to declining interest rates, Metropolitan would begin deducting the cost of the term insurance from the accumulation fund of the policy. Metropolitan advised policyholders that the language in the policy under the title "Monthly Deductions" authorized the company to impose these charges although Metropolitan had not historically collected these charges.

Timberlake contacted Metropolitan and objected to the imposition of the monthly "premium" for the term insurance. Metropolitan explained that the terms of the policy authorized the monthly charge. Timberlake filed a written complaint with the Bureau of Insurance in November of 1993. After investigating the complaint, the Bureau closed the file in August of 1994 after determining that the complaint was not justified.

Timberlake claimed that Metropolitan promoted and sold the policy in 1987 as a "Retirement Savings Plan" which violated Virginia Code § 38.2-502.1. He also claimed that Metropolitan violated Virginia Code § 38.2-502.5 when it imposed a monthly premium on a policy entitled "Single Premium Life Policy." He further alleged a violation of Virginia Code § 38.2-503 due to Metropolitan's advertising the policy as a "Retirement Savings Plan" rather than an insurance plan, and a violation of Virginia Code § 38.2-3314 because the title on the policy did not accurately describe it.

Metropolitan filed an Answer on November 3, 1994, stating that the policy clearly identified itself as a life insurance policy and the terms of the policy allowed Metropolitan to charge a premium for term insurance in the form of a "deduction" from the policy's accumulation fund. On November 14, 1994, Metropolitan also filed a Demurrer stating that, (1) Timberlake failed to allege that the imposition of a monthly premium was a breach of the policy or was unlawful; (2) Timberlake failed to allege any facts supporting a violation of Virginia Code § 38.2-3314; (3) Timberlake failed to allege how the policy provisions were changed or were unlawful; and (4) Timberlake failed to allege the proximate cause of his damages and that the amount of damages was reasonable. On December 13, 1994, Metropolitan filed a Motion to Dismiss for failure to state a claim upon which the Commission had subject matter jurisdiction. Metropolitan argued that the Circuit Court, not the Commission, has jurisdiction to adjudicate private causes of action. Since Timberlake was seeking a private remedy under the Act, the Commission should dismiss his Petition.

Pursuant to Commission order, both parties filed a memorandum of law in support of their respective pleadings. By Final Order dated March 23, 1995, the Commission dismissed Timberlake's Petition against Metropolitan without prejudice to Timberlake's rights as they may exist in another forum. The Commission also dismissed the Petition as it related to Rockwell because Rockwell's status as a defendant was "doubtful." Timberlake had not alleged any wrongful conduct on the part of Rockwell. By Order dated April 11, 1995, the Commission denied Timberlake's Petition for Rehearing or Reconsideration and denied his request for a stay of the Commission's Final Order.

The Commission finds that the Unfair Trade Practices Act of Title 38.2 of the Virginia Code does not create a private cause of action for damages against an insurance company for a violation of the Act. See A&E Supply Co. v. Nationwide Mut. Fire Ins. Co., 798 F.2d 669 (4th Cir. 1986), cert. denied, 479 U.S. 1091 (1987); Neat Sweep, Inc. v. National Chimney Sweep Guild, 20 Va. Cir. 274 (1990). Statutes such as the Act are to be strictly construed; "if no intent to create a private cause of action appears on the face of the statute, then no such right exists." Neat Sweep, 20 Va. Cir. at 278-79. Virginia Code § 38.2-510.B specifically provides that:

> [n]o violation of this section shall of itself be deemed to create any cause of action in favor of any person other than the Commission, but nothing in this subsection shall impair the right of any person to seek redress at law or equity for any conduct for which action may be brought.

Finding no private cause of action for damages appearing on the face of the Act, the Commission dismissed Timberlake's claims relating to violations of Virginia Code §§ 38.2-502.1, 38.2-502.5, and 38.2-503. In addition, Timberlake's claim of violation of Virginia Code § 38.2-3314 was also dismissed because the Virginia Code does not provide a statutory basis to grant the relief requested by Timberlake.

CASE NO. INS940145
MAY 8, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN CAPITAL ASSURANCE COMPANY,
JOE D. MASSEY,
JOE D. MASSEY, JR.,
JULIUS B. GUITERREZ,
BEVERLEY T. FORTENBERRY, and
GENE J. LAMBERT,
Defendants

CEASE AND DESIST ORDER

WHEREAS, by order entered herein October 6, 1994, Defendants were ordered to take notice that the Commission would enter a cease and desist order subsequent to October 20, 1994, ordering Defendants to cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1024 unless on or before October 20, 1994, Defendants filed with the Clerk of the Commission a request for a hearing before the Commission to contest the entry of the cease and desist order;

WHEREAS, notice of the entry of the aforesaid cease and desist order was mailed by certified or registered mail to each Defendant at their last know address, and as of the date of this order none of the Defendants has requested a hearing;

THEREFORE, IT IS ORDERED:

(1) That, as of the date of this order and until further order of the Commission, Defendants shall cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1024; and

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

CASE NO. INS940146
NOVEMBER 16, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BLUE CROSS AND BLUE SHIELD OF VIRGINIA, d/b/a TRIGON BLUE CROSS BLUE SHIELD,
Defendant

ORDER APPROVING SUPPLEMENTAL REFUND PROGRAM

IT APPEARING that Blue Cross and Blue Shield of Virginia ("Trigon") has satisfactorily completed the copayment refund program described in the Order of the Commission entered herein and dated September 22, 1994, but that substantial copayments remain unclaimed;

IT FURTHER APPEARING, contrary to the understanding of the Commissioner of Insurance in September, 1994, that Trigon has the ability to identify most unclaimed copayment amounts for the years 1984-1993 and, in a substantial number of cases, has in its records the name and an address for each of the persons who did not claim a copayment refund in the copayment refund program;

IT FURTHER APPEARING that the Attorney General of Virginia, on behalf of the Treasurer of Virginia, has filed in the Circuit Court of the City of Richmond a Bill of Complaint for a judgment that all unclaimed copayments are unclaimed property pursuant to the Virginia Unclaimed Property, Virginia Code §§ 55-210.1 et seq.;

IT FURTHER APPEARING, upon the request of the Commissioner of Insurance, that Trigon has proposed to reopen the copayment refund program and conduct a supplemental refund program in accordance with the terms of Exhibit A and Attachments 1-5 thereof, which are attached hereto and made a part hereof; and

IT FURTHER APPEARING that the Bureau of Insurance, the Attorney General of Virginia and the Treasurer of Virginia have recommended that the Commission approve Trigon's proposal to conduct a supplemental copayment refund program as set forth in Exhibit A and the attachments thereto,

IT IS ORDERED:

(1) That Trigon's proposal to conduct the supplemental refund program described in Exhibit A and attachments thereto be, and it is hereby, APPROVED;

(2) That Trigon be, and it is hereby, DIRECTED to undertake and carry out the provisions of the supplemental refund program as set forth in Exhibit A and the attachments thereto; and

(3) That the Commission shall retain jurisdiction in this matter pending receipt of reports from the Bureau of Insurance and from the independent accounting firm engaged in this matter by the Bureau of Insurance, which reports shall be filed with the Clerk of the Commission on or before August 15, 1996.

NOTE: A copy of Exhibit A entitled "Supplemental Copayment 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. INS940201
MAY 24, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
VIRGINIA FARM BUREAU MUTUAL INSURANCE COMPANY
and
VIRGINIA FARM BUREAU FIRE AND CASUALTY COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated certain provisions of the Code of Virginia, to wit: Virginia Farm Bureau Mutual Insurance Company violated Va. Code §§ 38.2-231, 38.2-304, 38.2-502, 38.2-511, 38.2-610, 38.2-1906, 38.2-2104, 38.2-2113, 38.2-2114, 38.2-2124, 38.2-2208 and 38.2-2220 as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies; Virginia Farm Bureau Fire and Casualty Insurance Company violated Va. Code §§ 38.2-231, 38.2-304, 38.2-502, 38.2-511, 38.2-1906, 38.2-2014, 38.2-2212 and 38.2-2220 as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke 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 fifteen thousand nine hundred fifty dollars ($15,950), have waived their right to a hearing and have agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Virginia Farm Bureau Mutual Insurance Company cease and desist from any conduct which constitutes a violation of Va. Code §§ 38.2-231, 38.2-304, 38.2-502, 38.2-511, 38.2-610, 38.2-1906, 38.2-2104, 38.2-2113, 38.2-2114, 38.2-2124, 38.2-2208 or 38.2-2220 as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies;

(3) That Virginia Farm Bureau Fire and Casualty Insurance Company cease and desist from any conduct which constitutes a violation of Va. Code §§ 38.2-231, 38.2-304, 38.2-502, 38.2-511, 38.2-1906, 38.2-2014, 38.2-2212 or 38.2-2220 as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies; and

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

CASE NO. INS940204
JANUARY 26, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Establishing Standards for Life, Annuity, and Accident and Sickness Reinsurance Agreements

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein October 20, 1994, all interested persons were ordered to take notice that the Commission would enter an order subsequent to November 25, 1994, adopting a revised regulation proposed by the Bureau of Insurance unless on or before November 25, 1994, any person objecting to the adoption of the regulation filed a request for a hearing with the Clerk of the Commission;

WHEREAS, the American Council of Life Insurance filed a timely request for a hearing, which was subsequently withdrawn, and comments to the proposed regulation; and

THE COMMISSION, having considered the proposed regulation and the comments of interested persons, is of the opinion that the regulation, as amended, should be adopted;

THEREFORE, IT IS ORDERED that the regulation entitled "Revised Rules Establishing Standards for Life, Annuity, and Accident and Sickness Reinsurance Agreements" which is attached hereto should be, and it is hereby, ADOPTED to be effective April 1, 1995.

NOTE: A copy of Attachment A entitled "Revised Rules Establishing Standards for Life, Annuity, and Accident and Sickness Reinsurance Agreements" 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. INS940205
MARCH 16, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Rules Governing Essential and Standard Health Benefit Plan Contracts

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein October 27, 1994, the Commission ordered that a hearing be conducted on November 29, 1994, for the purpose of considering the adoption of a regulation proposed by the Bureau of Insurance ("Bureau") entitled "Rules Governing Essential and Standard Health Benefit Plan Contracts";

WHEREAS, the Commission's order required all interested persons to file their comments to the proposed regulation on or before November 22, 1994;

WHEREAS, the Commission conducted the aforesaid hearing where it received additional comments to the proposed regulation;

WHEREAS, the Commission required the Bureau to file a post-hearing response to the prefiled comments and the additional comments received by the Commission at the hearing;

WHEREAS, the Commission further permitted interested persons to reply to the Bureau's aforesaid response; and

THE COMMISSION, having considered the proposed regulation and the comments of interested persons, is of the opinion that the regulation, as amended, should be adopted;

THEREFORE, IT IS ORDERED that the regulation entitled "Rules Governing Essential and Standard Health Benefit Plan Contracts" which is attached hereto should be, and it is hereby, ADOPTED to be effective May 1, 1995.

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. INS940205
APRIL 10, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting Rules Governing Essential and Standard Health Benefit Plan Contracts

CORRECTING ORDER

GOOD CAUSE having been shown, the third sentence of the definition of "small employer" or "small employer market" on page 8 of the Commission's Rules Governing Essential and Standard Health Benefit Plan Contracts is corrected to read:

> Except as otherwise provided, the provisions of Article 5 (§ 38.2-3431 et seq.) of Chapter 34 of Title 38.2 of the Code of Virginia that apply to a small employer shall continue to apply until the earlier of the plan anniversary or one year following the date the employer no longer meets the requirements of this definition.

CASE NO. INS940218
JUNE 21, 1995

IN RE: HOME WARRANTY CORPORATION, AND HOME OWNERS WARRANTY CORPORATION, HOW INSURANCE COMPANY, A RISK RETENTION GROUP, IN RECEIVERSHIP

ORDER IN AID OF RECEIVERSHIP

ON A FORMER DAY CAME the Deputy Receiver and filed with the Clerk of the Commission an Application for Order In Aid Of Receivership (the "Application"), seeking such aid in respect to various matters associated with the continuing efforts involved in the receivership proceedings of Home Warranty Corporation, Home Owners Warranty Corporation, and How Insurance Company, a Risk Retention Group (collectively referred to as the "Companies" or "Defendants"). Specifically, the Deputy Receiver seeks an Order from the Commission that adopts supplemental rules of practice and procedure applicable to the Receivership Proceedings.

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

1. On October 14, 1994, the Circuit Court for the City of Richmond, appointed Steven T. Foster, Commissioner of Insurance, as Deputy Receiver for Rehabilitation or Liquidation, (the "Receivership Order") and authorized and directed him to proceed with the rehabilitation or liquidation of the Companies and to marshal the assets of the receivership estates by, among other things, the pursuit of claims and causes of action held by the estates by taking whatever steps are necessary or advisable, for the protection of Defendants' member builders, homebuyer certificate holders, insureds, creditors, or the public. In order to carry out the responsibilities imposed upon him by the Receivership Order, the Deputy Receiver should be given the ability to conduct investigations and discovery with respect to matters related to the receivership, and to investigate and approve or defend claims made against the receivership estates. Accordingly, supplementation of the Commission Rules is required in the receivership proceedings to allow the Deputy Receiver to carry out his responsibilities.

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

A. The Rules of Practice and Procedure of the State Corporation Commission (the "Commission Rules") shall be supplemented, as appropriate, by the Supplemental Rules of Practice and Procedure in Aid of Receivership Proceedings ("Supplemental Rules"), attached as Exhibit "A" to the Deputy Receiver's Application, and as fully set forth below. Accordingly, in the receivership proceedings, Case No. INS940218 and in any matter ancillary thereto, the Deputy Receiver shall have the authority to utilize the Supplemental Rules to investigate, discover, make, redress, and defend claims and causes of action pursuant to the responsibilities imposed upon him by the Receivership Order. The Deputy Receiver is further directed to continue his efforts to marshal and collect the assets or property for the benefit of the receivership estates. All questions as to the appropriateness of the Supplemental Rules and all conflicts between the Commission Rules and the Rules of the Supreme Court of Virginia shall be resolved by the Commission. With greater particularity, the Commission Rules are hereby supplemented herein as follows:

Supplemental Rules of Practice and Procedure in Aid of Receivership Proceedings

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3. Investigative Subpoena Power; Examination of Witnesses Under Oath in Receivership Proceedings

   3:1 Investigative Depositions and Production of Documents
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   3:3 Sanctions For Disobedience
   3:4 Application To Witnesses Outside of Virginia

4. Discovery Materials Not Filed With Clerk

Supplemental Rules of Practice and Procedure in Aid of Receivership Proceedings

1. Scope

1:1 Application of Supplemental Rules.

These Supplemental Rules of Practice and Procedure in Aid of Receivership Proceedings (the "Supplemental Rules") shall be applicable to matters relating to the receivership (the "Receivership Proceeding(s)") of How Insurance Company, a Risk Retention Group, Home Owners Warranty Corporation, and Home Warranty Corporation ("the Companies") as a supplement to the Commission's standing Rules of Practice and Procedure (the "Commission Rule(s)").

1:2 Application of Certain Rules of Supreme Court of Virginia.

The Commission shall, as set forth herein, apply certain Rules of the Supreme Court of Virginia (the "Virginia Rules") as may be necessary to facilitate the orderly investigation, discovery and disposition of certain matters in these Receivership Proceedings. Toward this end, certain terms in the Virginia Rules must be subject to certain interpretations and deemed changes for use in this Receivership Proceeding. These Supplemental Rules, and the adopted Virginia Rules, shall be liberally construed to facilitate a viable procedural mechanism for aiding the orderly investigation, discovery and disposition of matters involving the Receivership Proceedings.

2. Pretrial Procedures, Depositions and Production.

Subject to interpretations and deemed changes in accordance with Supplemental Rule 1:2, Virginia Rules 4:0, 4:1, 4:2, 4:3, 4:4, 4:5, 4:6, 4:7, 4:7A, 4:8, 4:9, 4:10, 4:11, 4:12, 4:13, and 4:14 shall apply to the Receivership Proceedings.

3. Investigative Subpoena Power; Examination of Witnesses Under Oath in Receivership Proceedings.

3:1 Investigative Depositions and Production of Documents.

The Commission may, upon good cause shown by the Deputy Receiver, issue, *ex parte*, a subpoena to compel the attendance and testimony of witnesses before a person empowered to administer oaths and the production of any books, accounts, records, papers, and correspondence or other records relating to any matter that pertains to the receivership of the Companies and may, upon good cause shown, compel such attendance and production of records at the Deputy Receiver's offices in Richmond, Virginia, at such other place as the Deputy Receiver may designate in Richmond, Virginia, and/or Arlington County, Virginia or in any other adjacent city or county as the Deputy Receiver may deem necessary.

3:2 Protection From Investigative Depositions and Production of Documents.

Any person served with a subpoena under this section may file a motion with the Commission for a protective order pursuant to Virginia Rule 4:1(c). The filing of such a motion does not relieve the person subject to the subpoena from compliance until such time as a protective order is entered by the Commission.

3:3 Sanctions for Disobedience.

In any case of disobedience of (i) a subpoena issued under Rule 3:1 of these supplementary rules, including the contumacy of a witness appearing before the Deputy Receiver or his designated representative, or (ii) a subpoena issued under Part 2. of these rules or any other requirement thereunder, the Commission may, pursuant to Virginia Rule 4:12, issue an order requiring the person subpoenaed to obey the subpoena and to give evidence or produce books, accounts, records, papers, and the correspondence or other records respecting the matter in question. Any failure to obey such an order may be punished as contempt by the Commission.

3:4 Application To Witnesses Outside of Virginia.

If the Deputy Receiver desires to take the deposition of a witness who resides outside the Commonwealth of Virginia, it may be taken in accordance with Virginia Rule 4:3, as adopted in these Supplemental Rules and as provided under Virginia Code Sections 8.01-411 through 8.01-412.1.

4. Discovery Materials Not Filed With Clerk

Unless otherwise directed by the Commission, discovery materials shall not be filed with the Clerk of the Commission.

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

CASE NO. INS940220
OCTOBER 18, 1995

PETITION OF
GWENDOLYN MURRAY

For review of Fidelity Bankers Life Insurance Company's Deputy Receiver's Determination of Appeal

FINAL ORDER

ON A FORMER DAY came Gwendolyn Murray, pursuant to the Receivership Appeal Procedure set forth in the First Order in Aid of Receivership in Commission Case No. INS910068, and filed with the Clerk of the Commission a Petition for Review contesting the Deputy Receiver of Fidelity Bankers Life Insurance Company's (the "Deputy Receiver") Determination of Appeal No. 332;

WHEREAS, the Deputy Receiver responded to the Petition by filing an Answer and a Motion to Dismiss on July 19, 1995;

WHEREAS, the Deputy Receiver amended his Answer on August 22, 1995; and

THE COMMISSION, having considered the Petition, the Answer as amended, and the Motion to Dismiss, is of the opinion that the Deputy Receiver's Determination of Appeal No. 332 should be affirmed;

THEREFORE, IT IS ORDERED THAT:

(1) The Motion to Dismiss filed herein by the Deputy Receiver of Fidelity Bankers Life Insurance Company be, and it is hereby, GRANTED;

(2) The Petition filed herein by Gwendolyn Murray be, and it is hereby, DISMISSED; and

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

CASE NO. INS940224
FEBRUARY 2, 1995

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

FINAL ORDER

WHEREAS, by order entered herein December 6, 1994, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000;

WHEREAS, by affidavit of Defendant's President, the Commission was advised that Defendant restored its surplus to the minimum amount required by Virginia law;

WHEREAS, the Bureau of Insurance has recommended that the Commission vacate the impairment order entered herein; and

THE COMMISSION, having considered the affidavit filed by Defendant, the recommendation of the Bureau of Insurance and the law applicable hereto, is of the opinion that the impairment order entered herein should be vacated;

THEREFORE, IT IS ORDERED:

(1) That the impairment order entered herein be, and it is hereby, VACATED; and

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

CASE NO. INS940234
JANUARY 4, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TAYLOR MARSHALL
and
MARSHALL INSURANCE AGENCY,
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 § 38.2-512 by making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee 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 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 fifteen thousand dollars ($15,000), have waived their right to a hearing, have agreed to offer a free one-year membership through North American Auto Assistance Association, Inc. to all motor club members written through the agency during the period June 1, 1993, through August 31, 1994, 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 Defendant pursuant to the authority granted the Commission in Virginia Code § 12.1-15,

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-512; and

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

CASE NO. INS940235
JANUARY 4, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ROLAND R. LARMORE, JR.
and
LARMORE 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 § 38.2-1813 by failing to hold collected premiums and return premiums in a fiduciary capacity and pay the funds in the ordinary course of business to the insurer and insureds 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 waived their right to a hearing and have agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

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

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

CASE NO. INS940236
JANUARY 5, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JUDY T. SPANN,
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 §§ 38.2-502.1 and 38.2-512 by misrepresenting the benefits, advantages, conditions or terms of any insurance policy, and by making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated November 28, 1994 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 §§ 38.2-502.1 and 38.2-512 by misrepresenting the benefits, advantages, conditions or terms of any insurance policy, and by making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission;

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. INS940241
FEBRUARY 14, 1995

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein December 13, 1994, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before February 10, 1995; 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 February 24, 1995, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before February 24, 1995, 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. INS940241
FEBRUARY 28, 1995

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein February 14, 1995, Defendant was ordered to take notice that the Commission would enter an order subsequent to February 24, 1995, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before February 24, 1995, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

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

THEREFORE, IT IS ORDERED:

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

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

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

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

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

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

CASE NO. INS940246
FEBRUARY 2, 1995

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in a certain instance, violated Section 7.L of the Commission's Rules Governing Health Maintenance Organizations by failing to maintain its books and records in one location;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Section 7.L of the Commission's Rules Governing Health Maintenance Organizations; and

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

CASE NO. INS940252
MARCH 21, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
DAVID H. BENNET and L. JOHN FLEISCHMANN, AS TRUSTEES FOR THE DYNAMIC SYSTEMS, INC.
SAVINGS ENHANCEMENT PLAN
and
ROGER NICHOLAS, INDIVIDUALLY AND ON BEHALF OF A CLASS OF ALL OTHERS SIMILARLY SITUATED,
Petitioners
v.
VIRGINIA LIFE, ACCIDENT AND SICKNESS INSURANCE GUARANTY ASSOCIATION,
AN UNINCORPORATED ASSOCIATION,
Defendant

ORDER DISMISSING PETITION

On December 22, 1994, David H. Bennet, *et al.*, filed with the Commission a Petition for Declaratory Judgment and other relief against the Virginia Life, Accident and Sickness Insurance Guaranty Association ("VLASIGA"). VLASIGA filed a Motion to Dismiss, Answer and Memorandum on January 25, 1995, and the parties later filed additional memoranda in the case.

The Petition states, *inter alia*, that Dynamic Systems, Inc. ("Dynamic")is a corporation with approximately 90 employees which operates a "401(k) plan" under the Internal Revenue Code ("Plan") for the benefit of its employees. The Plan invested some of its funds in products known as Guaranteed Investment Contracts ("GICs"), issued by InterAmerican Insurance Company of Illinois ("Interamerican"). The Petition alleges that Interamerican has since become insolvent and that VLASIGA therefore should be required to guarantee the interests of members of the Plan in those GICs.

By contrast, VLASIGA contends that the statutes which govern its obligations with regard to insurance company insolvency do not provide coverage for the GICs under the factual situation presented here.

It is apparent that a substantial sum is at issue here, and that the employees of this small company will be the ones to suffer the ultimate loss caused by this insolvency, if no protection is afforded under the guaranty statutes. However, it is also clear, as VLASIGA argues, that these statutes were not crafted so as to provide coverage against loss for every product which an insurance company might market, under every conceivable factual situation. We agree with VLASIGA that the instant case is not one for which the current statutes furnish protection. Whether the law should be amended so as to change this result is a matter for the legislature, not the Commission.

THEREFORE, UPON CONSIDERATION of the pleadings filed herein, the Commission finds, as a matter of law:

(1) That the GICs are not subject to coverage under Chapter 17 of Title 38.2 of the Code of Virginia, as contended in the Petition's First Claim for Relief, because Va. Code § 38.2-1700(C)(5) provides, as pertinent, that the Chapter does not apply to:

> Any contract or certificate which is not issued to and owned by an individual, except to the extent of (i) any annuity benefits guaranteed to an individual by an insurer under such contract or certificate....

From the documents filed by the parties, including the actual text of the GICs themselves, it is obvious that these products are not owned by and issued to individuals, nor do they provide any annuity benefits to individuals. Thus, there is no basis under which these investments can be guaranteed by VLASIGA.

(2) That the Petitioners are not "third-party beneficiaries" to the relationship that may exist for any reason between Interamerican and VLASIGA, as argued in the Petition's Second Claim for Relief.

ACCORDINGLY, IT IS ADJUDGED, ORDERED AND DECREED:

1. That the Petition is hereby dismissed.

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

CASE NO. INS950001
JULY 17, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JAMES E. JOHNSON,
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 §§ 38.2-502.1, 38.2-512, and 38.2-1813 by misrepresenting the benefits, advantages, conditions, or terms of certain insurance policies, by making false or fraudulent statements or representations on or relative to an application of insurance for the purpose of obtaining a fee or commission, and by failing to account for and remit when due premiums collected from a certain insured;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated June 1, 1995 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 §§ 38.2-502.1, 38.2-512, and 38.2-1813 by misrepresenting the benefits, advantages, conditions, or terms of certain insurance policies, by making false or fraudulent statements or representations on or relative to an application of insurance for the purpose of obtaining a fee or commission, and by failing to account for and remit when due premiums collected from a certain insured;

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. INS950002
JANUARY 27, 1995

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated Virginia Code §§ 38.2-231, 38.2-305, 38.2-1904, 38.2-1906.B, 38.2-1908.B, 38.2-2014, 38.2-2206, 38.2-2220, 38.2-2223, and 38.2-2224, as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of nineteen thousand six hundred dollars ($19,600), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-305, 38.2-1904, 38.2-1906.B, 38.2-1908.B, 38.2-2014, 38.2-2206, 38.2-2220, 38.2-2223, and 38.2-2224, as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies; and

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

CASE NO. INS950004
JANUARY 13, 1995

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein July 27, 1994, the Supreme Judicial Court for Suffolk County, Commonwealth of Massachusetts, appointed the Commissioner of Insurance of the Division of Insurance of the Commonwealth of Massachusetts the Receiver of Defendant for purposes of conservation and rehabilitation; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to January 27, 1995, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before January 27, 1995,

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. INS950004
FEBRUARY 2, 1995

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein January 13, 1995, Defendant was ordered to take notice that the Commission would enter an order subsequent to January 27, 1995, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before January 27, 1995, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

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

THEREFORE, IT IS ORDERED:

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

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

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

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

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

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

CASE NO. INS950005
APRIL 7, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA
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 §§ 38.2-231, 38.2-317 and 38.2-1833 by failing to issue non-renewal notices or cancellation notices to all policyholders written under a public official liability program, by failing to file certain excess public official liability forms and endorsements at least 30 days prior to their effective date, and by failing to appoint a certain insurance agency within 30 days of the date of execution of the first application submitted by the agency;

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 nine thousand dollars ($9,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-317 or 38.2-1833; and

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

CASE NO. INS950006
FEBRUARY 9, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE INSURANCE DOCTOR AGENCY OF RICHMOND, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-512, 38.2-1804, and 38.2-1813 by making false statements or representations on or relative to insurance applications, by allowing applicants to sign incomplete insurance applications, and by commingling personal or operating funds with premiums required to be held in a trust account;

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 violation;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), has waived its right to a hearing, and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-512, 38.2-1804, or 38.2-1813; and

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

CASE NO. INS950007
JANUARY 19, 1995

APPLICATION OF
CONSUMERS UNITED 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 Consumers United Insurance Company in Liquidation ("Consumers United"), by its court-appointed receiver, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby Unity Mutual Life Insurance Company, a New York-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume Consumer United's annuity contracts, individual whole life policies, and youth term 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 7 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 Consumers United 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. INS950012
FEBRUARY 24, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JOE B. SELMAN,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated Virginia Code §§ 38.2-310, 38.2-502.1, 38.2-512 and 38.2-1808 by charging or collecting fees for the procurement of insurance that were not included in the premium or stated in the policy;

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, 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 his right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-310, 38.2-502.1, 38.2-512 or 38.2-1808; and

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

CASE NO. INS950013
APRIL 13, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BLUE CROSS AND BLUE SHIELD OF VIRGINIA, t/a TRIGON BLUE CROSS BLUE SHIELD,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

IT APPEARING from a market conduct examination report compiled by the Bureau of Insurance pursuant to Virginia Code Section 38.2-1317.1 that Defendant Blue Cross and Blue Shield of Virginia, t/a Trigon Blue Cross Blue Shield ("Trigon") is alleged, in certain instances and as set forth in the aforesaid market conduct examination report which is a part of the record herein, to have violated Virginia Code §§ 38.2-316.A.; 38.2-316.B.; 38.2-316.C.; 38.2-502.1; 38.2-510.; 38.2-511.; 38.2-606.7.a.(1); 38.2-606.8.; 38.2-610.A.2.; 38.2-1812.A.1.; 38.2-1833.A.1.; 38.2-1834.C.; 38.2-3407.1.; Sections 5.A., 5.B., 6.A.(1), 6.B.(1), 6.C.(3), 7., 9.C., 10.A., 11., 13.A., 17.A., and 17.B. of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance; Sections 6.(a), 7.(a), 7.(b), and 8. of the Commission's Rules Governing Unfair Claims Settlement Practices; Section 10.B. of the Commission's Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act; and Section 9. (formerly Section 10.), Section 17.D. (formerly Section 15.C.) and Section 18. (formerly Section 16.) of the Commission's Rules Governing Minimum Standards for Medicare Supplement Policies;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218 and 38.2-219 to impose certain monetary penalties and to issue cease and desist orders under appropriate circumstances upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed such violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, but without admitting the allegations in the aforesaid market conduct examination report, Defendant has made an offer of compromise and settlement to the Commission wherein Defendant (1) has agreed to escrow the sum of nine hundred fifty thousand dollars ($950,000) to be paid or disbursed as set out herein; (2) has agreed to pay those persons who became entitled thereto during the period July 1, 1990, to the date of this order all interest to which they may be entitled pursuant to the provisions of Va. Code § 38.2-3407.1; (3) has agreed to implement certain remedial measures as set forth in ordering paragraphs (5) through (8) of this order; and (4) has agreed to the entry by the Commission of an order that Defendant cease and desist from any and all conduct that would constitute a violation of the above-cited Code sections and regulations as they relate to the matters described in the aforesaid market conduct examination report and as set forth herein.

From the funds escrowed pursuant to (1) above, the Defendant has agreed to pay to the Commonwealth of Virginia, upon entry of this order, as a civil forfeiture, the sum of five hundred thirty-eight thousand dollars ($538,000) and has agreed to pay by June 30, 1995, all interest referenced in (2) above and provide the Commission with satisfactory evidence thereof no later than July 10, 1995. Upon having paid such interest from the escrowed funds, should the aggregate amount of interest payments as referenced in (2) above be less than four hundred and twelve thousand dollars ($412,000), Defendant shall forthwith pay to the Commonwealth of Virginia, as an additional civil forfeiture, any remaining balance of such escrowed funds. In the event that the aggregate amount of such interest payments exceeds four hundred and twelve thousand dollars ($412,000), Defendant shall appropriate such additional funds as may be required to satisfy its obligation under (2) above. In those instances where Defendant does not know and cannot reasonably ascertain the identity or whereabouts of a provider to whom such interest may be owed, it shall make payment thereof to the Commonwealth of Virginia as an additional civil forfeiture.

IT FURTHER APPEARING that the Defendant has waived its right to a hearing on these matters upon the acceptance of such offer by the Commission;

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; and

IT FURTHER APPEARING that the Division of Consumer Counsel of the Office of the Attorney General, a party to this proceeding, has expressed no objection to such settlement,

IT IS ORDERED:

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

(2) That Defendant cease and desist from any and all conduct that constitutes a violation of Virginia Code §§ 38.2-316.A.; 38.2-316.B.; 38.2-316.C.; 38.2-502.1; 38.2-510.; 38.2-511.; 38.2-606.7.a.(1); 38.2-606.8.; 38.2-610.A.2.; 38.2-1812.A.1.; 38.2-1833.A.1.; 38.2-1834.C.; 38.2-3407.1.; Sections 5.A., 5.B., 6.A.(1), 6.B.(1), 6.C.(3), 7., 9.C., 10.A., 11., 13.A., 17.A., and 17.B. of Regulation No. 8, Sections 6.(a), 7.(a), 7.(b), and 8. of Regulation No. 12, Section 10.B. of Regulation No. 19, and Sections 9. (formerly 10.), 17.D. (formerly 15.C.), and 18. (formerly 16.) of Regulation No. 35 as those Code sections and regulations relate to the matters described in the aforesaid market conduct examination report;

(3) That, by no later than June 30, 1995, Defendant shall make those necessary changes to its data processing systems and procedures in order to implement the remedial measures set forth in ordering paragraphs (5), (6), (7) and (8) below;

(4) That, during the period from the effective date of this order through June 30, 1995, Defendant's good faith efforts to make the necessary changes to its data processing systems and to put into effect the remedial measures set forth in ordering paragraphs (5), (6), (7) and (8) below shall constitute compliance with the cease and desist provisions of this order;

(5) That, beginning with the effective date of this order, the Defendant shall provide all individual policyholders, all certificate holders under group insurance policies and any other persons entitled thereto with the notices provided for by Sections 6(a) and 7(a) and (b) of Regulation No. 12 with respect to claims not paid or denied within 15 business days after receipt of proof of loss and the follow-up notices provided for by that regulation;

(6) That, for interest payable on claims paid by other Blue Cross and Blue Shield plans after the effective date of this order, the Defendant shall make the interest payments required by Virginia Code § 38.2-3407.1 on those claims in those cases where such other plans have not made the interest payments required by this Code section;

(7) That, for interest payable on claims paid by Defendant to out-of-state providers after the effective date of this order, Defendant shall make the interest payments required by § 38.2-3407.1;

(8) That, for adjustments after the effective date of this order, Defendant shall make interest payments in accordance with Virginia Code § 38.2-3407.1 on adjustments to claims where the adjustment of the claim was due to the action or lack of action of Defendant and not the action or lack of action of the policyholder or provider. Notwithstanding the foregoing provisions of this paragraph and the provisions of ordering paragraphs (6) and (7) above, Defendant is directed to make past due payments of interest by no later than June 30, 1995, and, thereafter, to make payments as required by Virginia Code § 38.2-3407.1. Defendant shall notify the Commission and the Division of Consumer Counsel of the Office of the Attorney General in writing of the payment of all such past due payments by July 10, 1995;

(9) That Defendant shall provide to the Commission and the Division of Consumer Counsel of the Office of the Attorney General, by July 31, 1995, a report specifying all measures it has undertaken to comply with the terms of this order;

(10) That, pursuant to the agreement of the Defendant to do so, Defendant shall, for a period not to exceed five years, provide to the Division of Consumer Counsel of the Office of the Attorney General its full cooperation and access to all relevant documentation not subject to the attorney-client privilege that reasonably may be needed by it to investigate to ensure compliance by Defendant with the requirements of ordering paragraph (2) above;

(11) That the hearing scheduled in this matter for April 26, 1995, at 10:00 a.m. in the Commission's courtroom be, and it is hereby, discontinued; and

(12) That the Commission shall retain jurisdiction in this matter pending receipt of satisfactory evidence of payment of the past due interest required by this order and until further order of the Commission.

CASE NO. INS950014
FEBRUARY 6, 1995

APPLICATION OF
MIDLAND NATIONAL LIFE INSURANCE COMPANY

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came Midland National Life Insurance Company ("Midland National"), a South Dakota-domiciled insurer which is licensed in the Commonwealth of Virginia, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby Midland National would assume from the Pennsylvania Life & Health Insurance Guaranty Association certain life and annuity obligations, which were formerly direct obligations of EBL Life Insurance Company, In Liquidation;

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 7 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 Midland National Life Insurance Company for approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C be, and it is hereby, APPROVED.

CASE NO. INS950027
MARCH 2, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KAREN WHITE ELLIOTT,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated Virginia Code §§ 38.2-310, 38.2-512, and 38.2-1804;

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 her right to a hearing in this matter, whereupon Defendant, without admitting any violation of any law and solely for the purpose of settlement, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), has waived her right to a hearing, has agreed to voluntarily surrender her licenses to transact the business of insurance, and has agreed to the entry by the Commission of this Settlement Order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-310, 38.2-512, or 38.2-1804; and

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

CASE NO. INS950028
FEBRUARY 13, 1995

PETITION OF
NELL STRICKLAND

For review of Fidelity Bankers Life Insurance Company's Deputy Receiver's determination of appeal

ORDER GRANTING JOINT MOTION TO DISMISS PETITION

ON A FORMER DAY came Nell Strickland ("Petitioner") and the Deputy Receiver of First Dominion Mutual Life Insurance Company (formerly Fidelity Bankers Life Insurance Company), both by counsel, and filed with the Clerk of the Commission a Joint Motion to Dismiss Petition of the Petitioner.

THEREFORE, having considered the motion and the agreement and release filed therewith, and for good cause shown, IT IS ORDERED that the Petition filed herein be, and it is hereby, dismissed with prejudice.

CASE NO. INS950030
APRIL 6, 1995

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code § 38.2-1805.A by accepting payment of premiums in arrears on policies of life insurance or accident and sickness insurance which had lapsed;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of seven thousand dollars ($7,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

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

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

CASE NO. INS950031
MARCH 16, 1995

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510.A.1, 38.2-510.A.4, 38.2-510.A.5, 38.2-511, 38.2-1318.C, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-1834.C, 38.2-4301.C, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4308.B, 38.2-4311.C, 38.2-4312.A, and 38.2-4312.B, as well as Sections 6.A(1), 6.A(2),

6.B(1), 7, 13.A, and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.2, 6.C.3, 7.H, 8.C.3, 8.H.1, 12.A, and 12.B of the Commission's Rules Governing Health Maintenance Organizations;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of fifty-five thousand dollars ($55,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510.A.1, 38.2-510.A.4, 38.2-510.A.5, 38.2-511, 38.2-1318.C, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-1834.C, 38.2-4301.C, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4308.B, 38.2-4311.C, 38.2-4312.A, or 38.2-4312.B, as well as Sections 6.A(1), 6.A(2), 6.B(1), 7, 13.A, or 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, or Sections 6.C.2, 6.C.3, 7.H, 8.C.3, 8.H.1, 12.A, or 12.B of the Commission's Rules Governing Health Maintenance Organizations; and

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

CASE NO. INS950032
MARCH 16, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ROBERT M. ROBINSON,
POWELL INSURANCE AGENCY,
and
COLONIAL INSURANCE AGENCY,
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 §§ 38.2-502.1, 38.2-512, and 38.2-1839 by omitting information and making statements to policyholders that misrepresented the conditions or terms of an insurance policy, by making false statements or representations on or relative to applications for insurance for the purpose of obtaining a fee, and by failing to include certain information in the agencies' consulting agreements;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), have waived their right to a hearing and have agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendants cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-502.1, 38.2-512, or 38.2-1839; and

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

CASE NO. INS950034
MARCH 8, 1995

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

CONSENT ORDER

GROUP DENTAL SERVICE, INC. ("Group Dental"), a Maryland-domiciled dental services plan operating in the Commonwealth of Virginia, has voluntarily agreed, until further order of the Commission, to: (i) cease and desist from soliciting or contracting any new groups in Virginia until it receives a license from the Commission as a dental services plan, pursuant to the requirements of Chapter 45 of Title 38.2 of the Code of Virginia; (ii) continue to provide dental services to existing subscribers in Virginia and to pay all covered claims incurred by such subscribers; (iii) file an application for a license as a dental service with the Commission within thirty days of the issuance of a Consent Order by the Commission; and (iv) wind down its operations in Virginia if Group Dental does not meet the requirements for licensing as a dental services plan in Virginia;

THEREFORE, IT IS ORDERED:

(1) That Defendant shall cease and desist from soliciting or contracting any new groups in Virginia until it receives a license from the Commission as a dental services plan, pursuant to the requirements of Chapter 45 of Title 38.2 of the Code of Virginia;

(2) That Defendant shall continue to provide dental services to existing subscribers in Virginia and that Defendant pay all covered claims incurred by such subscribers;

(3) That Defendant shall file an application for a license as a dental services plan with the Commission within thirty days of the date of this order; and

(4) That Defendant shall wind down its operations in Virginia if Defendant does not meet the requirements for licensing as a dental services plan in Virginia.

CASE NO. INS950035
APRIL 11, 1995

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization 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, 38.2-511, 38.2-606.7.b(1), 38.2-606.8, 38.2-1318.C, 38.2-1812.A, 38.2-1822, 38.2-1833.A.1, 38.2-1834.C, 38.2-4301.C, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4308.B, 38.2-4312.A.1, 38.2-4312.A.2, and 38.2-4313, as well as Sections 6.A(1), 6.A(2), 6.B(1), 9.A, 9.C, 13.A, 16, and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 8.H.1, 8.H.2, 8.H.5, 12.A, and 12.B of the Commission's Rules Governing Health Maintenance Organizations;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of thirty-three thousand dollars ($33,000) and has waived its right to a hearing; and

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

IT IS ORDERED:

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

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

CASE NO. INS950038
APRIL 6, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AETNA HEALTH PLANS OF THE MID-ATLANTIC, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510.A.5, 38.2-511, 38.2-1812.A, 38.2-1833.A.1, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4306.1, 38.2-4308.B, and 38.2-4313, as well as Sections 6.A(1), 6.B(1), 9.C, 10.A, 13.A(1), and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 8.C.3, 8.H.5, 12.A, and 12.B of the Commission's Rules Governing Health Maintenance Organizations;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of thirty-four thousand dollars ($34,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510.A.5, 38.2-511, 38.2-1812.A, 38.2-1833.A.1, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4306.1, 38.2-4308.B, or 38.2-4313, as well as Sections 6.A(1), 6.B(1), 9.C, 10.A, 13.A(1), and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, or Sections 8.C.3, 8.H.5, 12.A, and 12.B of the Commission's Rules Governing Health Maintenance Organizations; and

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

CASE NO. INS950040
MAY 11, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ANNA LYNN PERRY,
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 §§ 38.2-502, 38.2-503, 38.2-1813, and 38.2-1826 by misrepresenting the benefits, advantages, conditions, or terms of certain insurance policies, by disseminating an advertisement which was untrue, deceptive, or misleading, by failing to account for and remit when due premiums collected on behalf of a certain insurer, and by failing to notify the Bureau of Insurance 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 March 6, 1995 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 § 38.2-502, 38.2-503, 38.2-1813, and 38.2-1826 by misrepresenting the benefits, advantages, conditions, or terms of certain insurance policies, by disseminating an advertisement which was untrue, deceptive, or misleading, by failing to account for and remit when due premiums collected on behalf of a certain insurer, and by failing to notify the Bureau of Insurance of a change of address;

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. INS950046
JUNE 2, 1995

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-4304.B, and 38.2-4306.B.1, as well as Sections 12.A and 12.B of the Commission's Rules Governing Health Maintenance Organizations;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of fifty three thousand dollars ($53,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-4304.B, or 38.2-4306.B.1, as well as Sections 12.A and 12.B of the Commission's Rules Governing Health Maintenance Organizations; and

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

CASE NO. INS950048
APRIL 10, 1995

APPLICATION OF
SPRINGFIELD LIFE INSURANCE COMPANY

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came Springfield Life Insurance Company ("Springfield") and filed with the Clerk of the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby J.C. Penney Life Insurance Company, a Vermont-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume certain direct response life and health insurance policies from Springfield;

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 Springfield Life Insurance Company for approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C be, and it is hereby, APPROVED.

CASE NO. INS950049
APRIL 10, 1995

APPLICATION OF
MONARCH 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 Monarch Life Insurance Company, In Rehabilitation ("Monarch"), by its Receiver, and filed with the Clerk of the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby J.C. Penney Life Insurance Company, a Vermont-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume certain direct response life and health insurance policies from Monarch;

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 Monarch 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. INS950050
APRIL 11, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JEFFERSON-PILOT TITLE INSURANCE COMPANY,
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 insurance in Virginia;

THEREFORE, IT IS ORDERED:

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

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

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

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

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

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

CASE NO. INS950052
APRIL 27, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN FAMILY LIFE ASSURANCE COMPANY OF COLUMBUS,
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, 38.2-1833 and 38.2-1835 by allowing an unlicensed and unappointed agent to transact the business of insurance on behalf of the company in the Commonwealth of Virginia;

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

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-1812, 38.2-1822, 38.2-1833 or 38.2-1835; and

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

CASE NO. INS950058
MAY 4, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of repealing the Commission's Rules Governing Credit Life Insurance and Credit Accident and Sickness Insurance

ORDER TO TAKE NOTICE

WHEREAS, the Commission's Rules Governing Credit Life Insurance and Credit Accident and Sickness Insurance adopted in Case No. INS820162 have been superseded by the adoption of Chapter 37.1 of Title 38.2 of the Code of Virginia;

THEREFORE, IT IS ORDERED:

(1) That all interested persons TAKE NOTICE that the Commission shall enter an order subsequent to June 15, 1995, repealing the Commission's Rules Governing Credit Life and Credit Accident and Sickness Insurance unless on or before June 15, 1995, any person objecting to the repeal of the aforesaid regulation files a request for a hearing and a responsive pleading setting forth in detail their objections to the repeal of the regulation;

(2) That an attested copy of this Order be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Gerald A. Milsky who shall give further notice of the proposed repeal of the Commission's Rules Governing Credit Life Insurance and Credit Accident and Sickness Insurance by mailing a copy of this order to all insurance companies licensed to write credit life insurance and credit accident and sickness 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.

CASE NO. INS950058
JUNE 20, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of repealing the Commission's Rules Governing Credit Life Insurance and Credit Accident and Sickness Insurance

ORDER REPEALING REGULATION

WHEREAS, by order entered herein May 4, 1995, all interested persons were ordered to take notice that the Commission would enter an order subsequent to June 15, 1995, repealing the Commission's Rules Governing Credit Life and Credit Accident and Sickness Insurance unless on or before June 15, 1995, any person objecting to the repeal of the aforesaid regulation filed a request for a hearing with the Clerk of the Commission; and

WHEREAS, as of the date of this order, no interested person filed a request for a hearing;

THEREFORE, IT IS ORDERED:

(1) That the Commission's Rules Governing Credit Life and Credit Accident and Sickness Insurance adopted in Case No. INS820162 be, and they are hereby, REPEALED;

(2) That an attested copy of this Order be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Gerald A. Milsky who shall give further notice of the repeal of the Commission's Rules Governing Credit Life Insurance and Credit Accident and Sickness Insurance by mailing a copy of this order to all insurance companies licensed to write credit life insurance and credit accident and sickness 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.

CASE NO. INS950059
JULY 24, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY,
STATE FARM FIRE & CASUALTY COMPANY,
and
STATE FARM GENERAL 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 certain sections of the Code of Virginia, to wit: State Farm Mutual Automobile Insurance Company violated Virginia Code §§ 38.2-231, 38.2-511, 38.2-1905, 38.2-1906.B, 38.2-2202, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-510.A.1, and 38.2-510.A.10 as well as Sections 6(d) and 8(d) of the Commission's Rules Governing Unfair Claim Settlement Practices; State Farm Fire & Casualty Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-511, 38.2-1906.B, 38.2-2014, 38.2-2114, 38.2-2208, and 38.2-510.A.1; State Farm General Insurance Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-511, 38.2-1906.B, 38.2-2014, and 38.2-2114;

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

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of eighteen thousand dollars ($18,000), have waived their right to a hearing; and

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

IT IS ORDERED:

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

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

CASE NO. INS950064
JUNE 26, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GOVERNMENT EMPLOYEES INSURANCE COMPANY,
GEICO INDEMNITY COMPANY,
GEICO GENERAL INSURANCE COMPANY,
GEICO CASUALTY COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated certain sections of the Code of Virginia; to wit: Government Employees Insurance Company violated Virginia Code 38.2-510.A.6, 38.2-510.A.10, 38.2-610, 38.2-1906, 38.2-1908, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2208, 38.2-2210, 38.2-2212 and 38.2-2214, as well as Section 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies, and Sections 4, 5.A, 8.D, and 9.D of the Commission's Rules Governing Unfair Claim Settlement Practices; GEICO Indemnity Company violated Virginia Code §§ 38.2-510.A.6, 38.2-510.A.10, 38.2-610, 38.2-1906, 38.2-2208, 38.2-2210, 38.2-2212 and 38.2-2220, as well as Sections 4, 5.A, 8.D, and 9.D of the Commission's Rules Governing Unfair Claim Settlement Practices; GEICO General Insurance Company violated Virginia Code §§ 38.2-510.A.6, 38.2-510.A.10, 38.2-610, 38.2-1906, 38.2-2014, 38.2-2208 and 38.2-2212, as well as Sections 4, 5.A, and 8.D of the Commission's Rules Governing Unfair Claim Settlement Practices; and GEICO Casualty Company violated Virginia Code §§ 38.2-502, 38.2-510.A.6, 38.2-510.A.10, 38.2-610, 38.2-1905, 38.2-1906, 38.2-2208, 38.2-2210 and 38.2-2212, as well as Sections 4, 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 twenty-two thousand dollars ($22,000) and have waived their right to a hearing; and

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

IT IS ORDERED:

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

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

CASE NO. INS950066
JUNE 13, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DORIS J. ANDREWS,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.2-1805.A by accepting payment of premiums in arrears on policies of life insurance or accident and sickness insurance which had lapsed;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated May 8, 1995 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 by accepting payment of premiums in arrears on policies of life insurance or accident and sickness insurance which had lapsed;

THEREFORE, IT IS ORDERED:

(1) That the 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. INS950073
JUNE 22, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PRINCIPAL HEALTH CARE OF THE MID-ATLANTIC, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-502.1, 38.2-508.2, 38.2-510.A.5, 38.2-511, 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-1812.A, 38.2-1833.A.1, 38.2-4301.C, 38.2-4304.B, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4306.1, 38.2-4312.A.a and 38.2-4313, as well as Sections 5.A, 6.A(2), 6.B(1), 6.B(3), 9.C, 10.A, 13.A and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.1, 6.C.2, 6.C.3, 8.A.1, 8.C.3, 11.B.17, 12.A and 12.B of the Commission's Rules Governing Health Maintenance Organizations;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-five thousand dollars ($25,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-502.1, 38.2-508.2, 38.2-510.A.5, 38.2-511, 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-1812.A, 38.2-1833.A.1, 38.2-4301.C, 38.2-4304.B, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4306.1, 38.2-4312.A.a or 38.2-4313, as well as sections 5.A, 6.A(2), 6.B(1), 6.B(3), 9.C, 10.A, 13.A, and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, or Sections 6.C.1, 6.C.2, 6.C.3, 8.A.1, 8.C.3, 11.B.17, 12.A and 12.B of the Commission's Rules Governing Health Maintenance Organizations; and

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

CASE NO. INS950076
JULY 24, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LIFE INSURANCE COMPANY OF GEORGIA,
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 by allowing an unlicensed person to solicit, negotiate, procure, or effect contracts of insurance in the Commonwealth of Virginia, and by paying commissions to a certain unlicensed person;

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 twenty-four thousand dollars ($24,000), has waived its right to a hearing; and

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

IT IS ORDERED:

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

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

CASE NO. INS950077
JUNE 8, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JONATHAN S. BAUR, et. al.,
Defendant

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, may have violated Virginia Code §§ 38.2-502.1 and 38.2-503, as well as Sections V.1(a), V.1(b) and V.2(a) of the Commission's Rules Governing Life Insurance and Annuity Marketing Practices by misrepresenting the benefits, advantages, conditions or terms of certain insurance policies and by disseminating marketing materials 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 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:

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

(2) That Defendants cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-502.1, 38.2-503, or Sections V.1(a), V.1(b) and V.2(a) of the Commission's Rules Governing Life Insurance and Annuity Marketing Practices; and

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

CASE NO. INS950093
JUNE 20, 1995

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

IMPAIRMENT ORDER

WHEREAS, United Southern Assurance Company, a foreign corporation domiciled in the State of Florida and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, 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, 1995, Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $3,001,780, and surplus of $2,214,516;

IT IS ORDERED that, on or before August 16, 1995, 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. INS950093
SEPTEMBER 14, 1995

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

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 38.2-1040 provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company 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 20, 1995, 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 16, 1995; 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 September 27, 1995, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 27, 1995, 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. INS950093
SEPTEMBER 28, 1995

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein September 14, 1995, Defendant was ordered to take notice that the Commission would enter an order subsequent to September 27, 1995, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 27, 1995, 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. INS950094
JUNE 20, 1995

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

IMPAIRMENT ORDER

WHEREAS, World Service Life Insurance Company of America, a foreign corporation domiciled in the State of Alabama and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, 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, 1995, Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,500,000, and surplus of $2,747,172;

IT IS ORDERED that, on or before August 16, 1995, 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. INS950094
AUGUST 24, 1995

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

FINAL ORDER

WHEREAS, by order entered herein June 20, 1995, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, by affidavit of Defendant's Vice Chairman and General Counsel, filed with the Commission's Bureau of Insurance, the Commission was advised that, as of August 14, 1995, Defendant restored its surplus to policyholders to at least $3,000,000;

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

THE COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Impairment Order entered by the Commission should be, and it is hereby, VACATED.

CASE NO. INS950100
JULY 31, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
EARL E. WARD
and
WARD INSURANCE SERVICES,
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 §§ 38.2-502.1, 38.2-502.5, 38.2-512, 38.2-1813.B, and 38.2-1822 by misrepresenting the benefits, advantages, conditions, or terms of certain insurance policies; by making

false representations on or relative to applications for insurance policies for the purpose of obtaining a fee, commission, or other benefit; by commingling premiums required to be held in a trust account; and by allowing unlicensed persons to act as an insurance agent without first obtaining a license from the 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 Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), have waived their right to a hearing and have agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendants cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-502.1, 38.502.5, 38.2-512, 38.2-1813.B, or 38.2-1822; and

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

CASE NO. INS950101
AUGUST 18, 1995

PETITION OF
AURELIA RYAN

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

ORDER DISMISSING PETITION

ON A FORMER DAY came the Deputy Receiver of HOW Insurance Company, a Risk Retention Group ("HOWIC"), Home Warranty Company ("HWC"), and Home Owners Warranty Company ("HOW"), by counsel, and filed with the Clerk of the Commission a Stipulation of Agreement and Joint Motion for Dismissal of Petition; and

THE COMMISSION, having considered the Stipulation of Agreement and the Joint Motion for Dismissal of Petition, finds that the Deputy Receiver and Petitioner have voluntarily entered into an agreement to resolve this matter, which is binding on both of the parties and which jointly requests that this matter be dismissed;

THEREFORE, IT IS ORDERED that the Petition of Aurelia Ryan for a review of HOWIC, HWC, and HOW Deputy Receiver's determination of appeal be, and it is hereby, DISMISSED, with prejudice.

CASE NO. INS950102
JUNE 29, 1995

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

IMPAIRMENT ORDER

WHEREAS, South Carolina Insurance Company, a foreign corporation domiciled in the State of South Carolina 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, 1995, Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $2,599,367, and surplus of ($684,054);

IT IS ORDERED that, on or before September 15, 1995, 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. INS950102
SEPTEMBER 19, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SOUTH CAROLINA 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 29, 1995, 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 15, 1995; 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 October 2, 1995, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before October 2, 1995, 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. INS950102
OCTOBER 4, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SOUTH CAROLINA INSURANCE COMPANY
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein September 19, 1995, Defendant was ordered to take notice that the Commission would enter an order subsequent to October 2, 1995, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before October 2, 1995, 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. INS950107
JULY 17, 1995

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

ORDER SUSPENDING LICENSE

WHEREAS, by letter filed with the Bureau of Insurance, Defendant has voluntarily consented to the suspension of its license to transact the business of insurance in the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED:

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

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

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

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

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

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

CASE NO. INS950108
AUGUST 18, 1995

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-503, 38.2-510.A.5, 38.2-511, 38.2-1812.A, 38.2-1833.A.1, 38.2-1834.C, 38.2-4301.C, 38.2-4304.B, 38.2-4306.A.12, 38.2-4306.B.1, and 38.2-4312.A, as well as Sections 5.A, 6.B(1), 13.A, and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.2, 8.C.3, 8.H.5, 11.B.1, 12.A, and 12.B of the Commission's Rules Governing Health Maintenance Organizations;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of eighteen thousand dollars ($18,000), 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 §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-503, 38.2-510.A.5, 38.2-511, 38.2-1812.A, 38.2-1833.A.1, 38.2-1834.C, 38.2-4301.C, 38.2-4304.B, 38.2-4306.A.12, 38.2-4306.B.1, or 38.2-4312.A, as well as Sections 5.A, 6.B(1), 13.A, or 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance and Sections 6.C.2, 8.C.3, 8.H.5, 11.B.1, 12.A, or 12.B of the Commission's Rules Governing Health Maintenance Organizations; and

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

CASE NO. INS950109
AUGUST 18, 1995

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-503, 38.2-510.A.14, 38.2-511, 38.2-606.6, 38.2-606.7.B.1, 38.2-1812.A, 38.2-1833.A.1, 38.2-1834.C, 38.2-4301.C, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4306.1, and 38.2-4312.A, as well as Sections 5.A, 6.B(1), 13.A, and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.2, 8.C.3, 8.H.5, 12.A, and 12.B of the Commission's Rules Governing Health Maintenance Organizations;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-four thousand dollars ($24,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in 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 §§ 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-503, 38.2-510.A.14, 38.2-511, 38.2-606.6, 38.2-606.7.B.1, 38.2-1812.A, 38.2-1833.A.1, 38.2-1834.C, 38.2-4301.C, 38.2-4306.A.2, 38.2-4306.B.1, 38.2-4306.1, or 38.2-4312.A, as well as Sections 5.A, 6.B(1), 13.A, or 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.2, 8.C.3, 8.H.5, 12.A, or 12.B of the Commission's Rules Governing Health Maintenance Organizations; and

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

CASE NO. INS950110
NOVEMBER 20, 1995

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 2, 1995, and ending on October 3, 1995. The National Council on Compensation Insurance (the "Applicant"), the Commission's Bureau of Insurance, protestants Washington Construction Employers Association, and the Iron Workers Employers Association, 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 0.847 originally proposed by the Applicant, and corrected by the Applicant to a factor of 0.853 in testimony, 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 5th report based on voluntary market experience using dollar weighted averages, loss development from a 5th report to a 14th 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 0.834 originally proposed by the Applicant, and corrected by the Applicant to a factor of 0.842 in testimony, 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 5th report based on assigned risk market experience using dollar weighted averages, loss development from a 5th report to a 14th 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 4.0 percent and the annual medical trend of positive 1.5 percent originally proposed by the Applicant, and corrected by the Applicant to trends of negative 3.8 percent and positive 1.7 percent, respectively, 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 loss adjustment expenses from 10.3 percent of expected loss to 12.5 percent of expected loss proposed by the Applicant is excessive, and in lieu thereof, the provision for loss adjustment expense shall be based upon the Bureau's proposed procedure updated to include 1994 data as provided by the Applicant resulting in a provision of 12.4 percent of expected loss and in a factor of 1.019 for the change in loss adjustment expense;

(6) That the calculation of the change to voluntary market loss costs for industrial classes expressed as a percentage shall be: experience, trend, and benefits (14.7 percent decrease), loss adjustment expense (1.9 percent increase), resulting in a total change in voluntary market loss costs of 13.1 percent decrease rather than the 13.6 percent decrease originally proposed by the Applicant, and corrected by the Applicant to a 13.0 percent decrease in testimony;

(7) That the proposed factor of 1.000 for the change in expenses (loss adjustment, taxes, general, production, administrative and other) for the assigned risk market was not supported by the Applicant and, in lieu thereof, the Applicant's proposed provision for expenses is reduced from 22.49 percent to 20.99 percent resulting in a decreased factor of .982 which shall be utilized. Such reduction is in recognition of the Commission's elimination of the 1.5 percent proposed provision for administrative and other expenses based on (i) the Applicant's agreement at the hearing that it is unnecessary to include the USL&H assessment in the assigned risk expense provision because such assessment is provided for in the "F" classification loss costs and (ii) the Applicant's failure to provide sufficient support for any remaining administrative and other expenses; provided, however, that, in future rate filings, the Commission will consider for approval any proposed expense provision which the Applicant is able to support with credible evidence. The adoption of a portion of the proposed expense provision represents the first time that the expense provision employed in the assigned risk rate is based on the competitive bids of servicing carriers for the assigned risk pool. The Commission is hopeful that competition will help to lower rates and wants to encourage the competitive process. In the meantime, to the extent possible, the Bureau of Insurance is directed to monitor, with the reasonable cooperation of the Applicant, the servicing carrier bid program;

(8) That the change in profit and contingencies provision for the assigned risk market from negative 6.82 percent to 0.0 percent representing a premium increase of 8.8 percent proposed by the Applicant produces excessive premiums and, in lieu thereof, the profit and contingencies provision shall be changed to negative 6.84 percent representing a decrease of 0.02 percent in premiums resulting from a rate of return of 11.30 percent (which is based on an 80/20 equity-to-debt ratio, a 12.25 percent cost of common equity, and a 7.50 percent cost of long term debt), a 7.20 percent pre-tax return on invested assets before consideration of investment expenses, a 5.41 percent post-tax return on invested assets before consideration of investment expenses, a 5.18 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 1.90 percent for uncollectible premium, and a reserve-to-surplus ratio of 2.78 considering only loss and loss adjustment expense reserves;

(9) That the calculation of the assigned risk market rate changes for industrial classes expressed as a percentage shall be: experience, trend, and benefits (15.8 percent decrease), expenses, taxes and loss adjustment expense (1.8 percent decrease), profit and contingency (0.02 percent decrease), resulting in a total decrease in assigned risk market premiums of 17.3 percent, rather than the 9.3 percent decrease proposed by the Applicant, and corrected by the Applicant to an 8.4 percent decrease in testimony;

(10) That the proposed decrease of 6.4 percent for voluntary market loss costs for "F" classifications be, and it is hereby, disapproved, and in lieu thereof, a decrease of 19.8 percent is hereby approved;

(11) That the proposed 8.1 percent premium increase for assigned risk market rates for "F" classifications be, and it is hereby, disapproved, and in lieu thereof, a decrease of 16.4 percent is hereby approved;

(12) That, as respects coal mine classifications, the 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 approved; 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 approved; the revised experience rating plan is hereby approved with a three year transition program applicable to coal mine classifications;

(13) That the Loss Sensitive Rating Plan proposed by the Applicant to apply to assigned risks is hereby disapproved;

(14) That, based upon the issue brought to the attention of the Commission at the hearing herein by counsel for protestants Washington Construction Employers Association and Iron Workers Employers Association, the Applicant, with the assistance of the Bureau of Insurance and any assistance a representative of the aforesaid intervenors cares to offer, shall submit a premium credit program to reflect differences in wage rates among employers within a single classification. Such proposal shall include consideration of the premium credit programs currently utilized in each of the states other than Virginia. The proposal shall be provided by the Applicant to the Commission no later than April 1, 1996;

(15) That, based upon the issues brought to the attention of the Commission at the hearing herein, the Applicant is requested to work with the Bureau of Insurance to establish: (a) an agreed upon method for identifying Virginia workers compensation experience not included within future filings of voluntary market loss costs and/or assigned risk rates with explanation of why such data are not included, and when such data will become available; (b) a procedure for obtaining Bureau agreement to changes in data collection statistical plans and calls prior to implementation of such changes, and; (c) identification of data elements reported to the Applicant which the Applicant has determined may not be reliable. Experience relevant to both the overall change in loss costs or rates and to the individual classifications, should be addressed separately for the voluntary market and the assigned risk market. A report from the Applicant on progress as respects items (a) through (c) should be provided to the Commission prior to submission of the next filing of voluntary market loss costs and/or assigned risk rates;

(16) 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 are based, shall be required to disclose the loss cost or rate effect of the change using both the methodology it is proposing to replace as well as using the newly proposed methodology;

(17) That, except as ordered herein, the proposed revision to loss costs, rates, minimum premiums, rules, regulations, and procedures for writing workers compensation insurance in this Commonwealth that have been filed by the Applicant herein on behalf of its members and subscribers shall be, and they are hereby, approved for use in this Commonwealth effective January 1, 1996; and

(18) 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. INS950114
SEPTEMBER 1, 1995

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510.A.5, 38.2-510.A.10, 38.2-514, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-4301.C, 38.2-4306.A.2, and 38.2-4312.A, as well as Sections 5.B, 6.A(1), 6.A(2), 6.B(1), 9.C, 13.A, and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.2, 6.C.3, and 12.A of the Commission's Rules Governing Health Maintenance Organizations;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of 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 §§ 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510.A.5, 38.2-510.A.10, 38.2-514, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-4301.C, 38.2-4306.A.2, or 38.2-4312.A, as well as Sections 5.B, 6.A(1), 6.A(2), 6.B(1), 9.C, 13.A, or 17.A of the Commission's Rules Governing Advertisement of Accident, and Sickness Insurance or Sections 6.C.2, 6.C.3, or 12.A of the Commission's Rules Governing Health Maintenance Organizations; and

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

CASE NO. INS950120
SEPTEMBER 22, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA,
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 §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510.A.5, 38.2-511, 38.2-606.7.b(1), 38.2-606.8, 38.2-1318.C, 38.2-1834.C, 38.2-3115.B, 38.2-3725.A, 38.2-3725.B and 38.2-3725.D, as well as Sections 6.A(1), 6.B(1), 6.B(2), 9.C, 10.A, 13.A, 16, 17.A and 17.B of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, Section 4 of the Commission's Rules Governing Unfair Claim Settlement Practices, and Sections V(1)(d), V(1)(f), V(5)(b), V(6)(a) and V11(2) of the Commission's Rules Governing Life Insurance and Annuity Marketing Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by 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 fifty-five thousand dollars ($55,000), 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. INS950124
AUGUST 29, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NELSON L. GARLAND,
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 when due premiums collected on behalf of a certain 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 July 28, 1995, 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 when due premiums collected on behalf of a certain insurance company;

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. INS950128
SEPTEMBER 12, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PRUDENTIAL PROPERTY AND CASUALTY COMPANY
and
PRUDENTIAL GENERAL 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 certain provisions of the Code of Virginia, to wit: Prudential Property and Casualty Insurance Company violated Virginia Code §§ 38.2-231, 38.2-305, 38.2-317, 38.2-502, 38.2-510.A.6, 38.2-510.A.10, 38.2-610, 38,2-1318, 38.2-1905, 38.2-1906.B, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2119, 38.2-2202, 38.2-2206, 38.2-2208, 38.2-2212, 38.2-2219 and 38.2-2220, as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies and Section 5.A of the Commission's Rules Governing Unfair Claim Settlement Practices; Prudential General Insurance Company violated Virginia Code §§ 38.2-510.A.6, 38.2-510.A.10, 38.2-1318, 38.2-1906, 38.2-2208, and 38.2-2212, as well as Section 5.A of the Commission's Rules Governing Unfair Claim Settlement Practices;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke 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-six thousand five hundred dollars ($26,500), have waived their right to a hearing and have agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED 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. INS950130
AUGUST 11, 1995

APPLICATION OF
CONFEDERATION LIFE INSURANCE AND ANNUITY COMPANY, IN RECEIVERSHIP

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

ORDER GRANTING APPLICATION

ON A FORMER DAY came the Deputy Receiver for Confederation Life Insurance and Annuity Company, In Receivership for rehabilitation ("CLIAC"), an insurer domiciled in the State of Georgia and licensed to transact the business of insurance in the Commonwealth of Virginia, and filed

with the Bureau of Insurance an application requesting Commission approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C.(ii) wherein Aetna Life Insurance and Annuity Company ("ALIAC"), a Connecticut-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume and reinsure certain variable annuity contracts from CLIAC;

AND THE COMMISSION, having considered the application, the Bureau of Insurance's recommendation of approval thereof based upon its conclusion that the annuitants of CLIAC will not lose any rights or claims afforded under their original CLIAC annuity contracts pursuant to Chapter 17 of Title 38.2 of the Code of Virginia and the law applicable hereto, is of the opinion that the application should be approved;

THEREFORE, IT IS ORDERED that the application of CLIAC for approval of the assumption reinsurance agreememt between Confederation Life Insurance and Annuity Company, In Receivership and Aetna Life Insurance and Annuity Company be, and it is hereby, GRANTED.

CASE NO. INS950132
AUGUST 18, 1995

APPLICATION OF
THE LOUISA FARMERS FIRE INSURANCE COMPANY

For approval to distribute the remaining assets of the corporation pursuant to Virginia Code § 38.2-216

ORDER APPROVING APPLICATION

ON A FORMER DAY came The Louisa Farmers Fire Insurance Company ("LFFIC"), a domestic corporation licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as a mutual assessment property and casualty insurer, and filed with the Commission an application to distribute the remaining assets of the corporation to its policyholders on a pro rata basis based on each policyholder's 1994 insurance in force and to cease operations as a mutual assessment property and casualty insurer;

WHEREAS, the Bureau of Insurance has reviewed the application and the method for distributing the remaining assets and determined that the distribution treats all policyholders fairly and equitably; 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:

(1) The application of LFFIC be, and it is hereby, APPROVED;

(2) LFFIC shall promptly distribute its remaining assets to its policyholders; and

(3) Upon completion of the distribution of its assets, LFFIC shall surrender its license to transact the business of insurance as a mutual assessment property and casualty insurer to the Bureau of Insurance.

CASE NO. INS950135
NOVEMBER 1, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KEVIN A. KNIGHT,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as a nonresident life and health insurance agent, in certain instances, violated Virginia Code § 38.2-1822 by transacting the business of insurance in Virginia without first obtaining a resident life and health insurance agent's license from the 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 hearing before the Commission in this matter by certified letter dated September 29, 1995, 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 § 38.2-1822 by transacting the business of insurance in Virginia without first obtaining a resident life and health insurance agent's license from the 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. INS950136
SEPTEMBER 15, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CINCINNATI INSURANCE COMPANY
and
CINCINNATI CASUALTY 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 certain sections of the Code of Virginia, to wit: Cincinnati Insurance Company violated Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-1904, 38.2-1906.B, 38.2-2014, and 38.2-2220, as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies; Cincinnati Casualty Company violated Virginia Code §§ 38.2-304, 38.2-305, 38.2-2005, and 38.2-2014, as well as Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1040 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke 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 thirteen thousand dollars ($13,000), 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, Cincinnati Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-231, 38.2-304, 38.2-305, 38.2-1904, 38.2-1906.B, 38.2-2014, or 38.2-2220, or Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies;

(3) Defendant, Cincinnati Casualty Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-304, 38.2-305, 38.2-2005, or 38.2-2014, or Section 4.4 of the Commission's Rules Governing Insurance Premium Finance Companies; and

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

CASE NO. INS950138
SEPTEMBER 12, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HAA 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, violated Virginia Code §§ 38.2-305.A, 38.2-305.B, 38.2-503, 38.2-511, 38.2-2608.A, 38.2-2608.B.2.a, 38.2-2612.1, 38.2-2612.4 and 38.2-2612.5, as well as Sections 4 and 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, 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 §§ 38.2-305.A, 38.2-305.B, 38.2-503, 38.2-511, 38.2-2608.A, 38.2-2608.B.2.a, 38.2-2612.1, 38.2-2612.4 and 38.2-2612.5, as well as Sections 4 and 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. INS950139
SEPTEMBER 12, 1995

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of an insurance premium finance company in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-4705.B, 38.2-4706.A and 38.2-4707, as well as Sections 2.7, 4.2, 4.3 and 4.6 of the Commission's Rules Governing Insurance Premium Finance Companies;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-4704 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twelve thousand dollars ($12,000), 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 §§ 38.2-4705.B, 38.2-4706.A and 38.2-4707, as well as Sections 2.7, 4.2, 4.3 and 4.6 of the Commission's Rules Governing Insurance Premium Finance Companies; and

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

CASE NO. INS950142
OCTOBER 6, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RONALD GINN
and
GINN & ASSOCIATES, INC.,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code § 38.2-1813 by failing to hold all funds received by Defendants in a fiduciary capacity and in the ordinary course of business pay the funds to the insured or insurer entitled to 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 ten thousand dollars ($10,000); have waived their right to a hearing; have agreed to pay all return premiums due policyholders within six (6) months of the date of the Commission's Settlement Order; have agreed to provide evidence to the Bureau of Insurance within seven (7) months of the date of the Commission's Settlement Order that all return premiums were paid to policyholders; have agreed to the entry by the Commission of a cease and desist order; have agreed that, if Defendants fail to comply with any of the terms set forth in their settlement offer, their licenses to transact the business of insurance in the Commonwealth of Virginia may be administratively terminated by the Bureau of Insurance; and Defendants have further agreed to waive their right to any hearing to contest such administrative termination of their licenses, 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 Commission shall retain jurisdiction over this matter until further order of the Commission.

CASE NO. INS950144
SEPTEMBER 14, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GERRY C. COGGIN
and
COGGIN INSURANCE AGENCY, INC.,
Defendants

ORDER REVOKING LICENSES

IT APPEARING from an investigation by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as insurance agents, in certain instances, violated Virginia Code §§ 38.2-502 and 38.2-1813 by misrepresenting the benefits, advantages, conditions, or terms of an insurance policy, by failing to account for and remit when due premiums collected on behalf of a certain insurer, and by commingling personal funds with premiums required to be held in separate fiduciary account;

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 hearing, that Defendants committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been notified of their right to a hearing before the Commission in this matter by certified letter dated July 21, 1995 and mailed to their addresses shown in the records of the Bureau of Insurance;

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

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

THE COMMISSION is of the opinion and finds that Defendants have violated Virginia Code §§ 38.2-502 and 38.2-1813 by misrepresenting the benefits, advantages, conditions, or terms of an insurance policy, by failing to account for and remit when due premiums collected on behalf of a certain insurer, and by commingling personal funds with premiums required to be held in separate fiduciary account;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendants 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) Defendants transact no further business in the Commonwealth of Virginia as insurance agents;

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

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

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

CASE NO. INS950146
SEPTEMBER 7, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NATIONAL FRATERNAL SOCIETY OF THE DEAF,
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, Defendant's June 30, 1995, Quarterly Statement filed with the Commission indicates a negative surplus of $445,672;

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

THEREFORE, IT IS ORDERED THAT Defendant TAKE NOTICE that the Commission shall enter an order subsequent to September 19, 1995, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 19, 1995, 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. INS950146
SEPTEMBER 28, 1995

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein September 7, 1995, Defendant was ordered to take notice that the Commission would enter an order subsequent to September 19, 1995, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 19, 1995, 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. INS950154
OCTOBER 6, 1995

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510.A.5, 38.2-510.A.10, 38.2-510.A.14, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-4301.C, 38.2-4306.A.2, and 38.2-4312.A, as well as Sections 5.B, 6.A(1), 6.A(2), 6.B(1), 9.C, 11, 13.A, 16 and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.2, 6.C.3, and 12.A of the Commission's Rules Governing Health Maintenance Organizations;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of thirty thousand dollars ($30,000), 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 §§ 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-510.A.5, 38.2-510.A.10, 38.2-510.A.14, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-4301.C, 38.2-4306.A.2, and 38.2-4312.A, as well as Sections 5.B, 6.A(1), 6.A(2), 6.B(1), 9.C, 11, 13.A, 16 and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.2, 6.C.3, and 12.A of the Commission's Rules Governing Health Maintenance Organizations; and

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

CASE NO. INS950167
OCTOBER 19, 1995

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code § 38.2-1408 by failing to authorize or approve certain investments;

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 § 38.2-1408; and

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

CASE NO. INS950176
OCTOBER 19, 1995

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

ORDER SUSPENDING LICENSE

WHEREAS, by affidavit of Defendant's Chief Financial Officer, Defendant has voluntarily consented to a suspension of its license to transact the business of a health services plan in Virginia;

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to Virginia Code § 38.2-1040, the license of Defendant to transact the business of a health services plan in the Commonwealth of Virginia be, and it is hereby, SUSPENDED;

(2) Defendant shall issue no new subscription contracts in the Commonwealth of Virginia;

(3) The appointment 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 business on behalf of Defendant in the Commonwealth of Virginia until further order of the Commission;

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

(6) The Bureau of Insurance 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. INS950186
OCTOBER 31, 1995

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

ORDER SUSPENDING LICENSE

WHEREAS, by affidavit of Defendant's Chief Financial Officer, 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. INS950199
NOVEMBER 30, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CPF PREMIUM FUNDING, INC.,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, by letter of Defendant's Senior Vice 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. INS950214
NOVEMBER 30, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ACACIA NATIONAL 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 §§ 38.2-316.A, 38.2-316.C, 38.2-503, 38.2-606.7.b(2), 38.2-606.8, and 38.2-1834.C, as well as Sections V(1)(b), V(4)(m), V(6)(a), and (VII)(2) of the Commission's Rules Governing Life Insurance and Annuity Marketing Practices;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of seven thousand dollars ($7,000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED 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 §§ 38.2-316.A, 38.2-316.C, 38.2-503, 38.2-606.7.b(2), 38.2-606.8, or 38.2-1834.C, as well as Sections V(1)(b), V(4)(m), V(6)(a), and (VII)(2) 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. INS950215
NOVEMBER 30, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SOUTHERN HEALTH 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 maintenance organization in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-502.1, 38.2-503, 38.2-510.A.5, 38.2-511, 38.2-604.A.1, 38.2-610.A, 38.2-610.B, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-4301.C, 38.2-4306.A.2, 38.2-4306.B.1 and 38.2-4312.A, as well as Sections 5.A, 6.A(1), 6.A(2), 6.B(1), 9.C, 10.A, 13.A, and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.2, 8.B.2, 8.C.3, 10.B.1, 11.B.17, 12.A, and 12.B of the Commission's Rules Governing Health Maintenance Organizations;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of thirty-seven thousand dollars ($37,000), 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 §§ 38.2-502.1, 38.2-503, 38.2-510.A.5, 38.2-511, 38.2-604.A.1, 38.2-610.A, 38.2-610.B, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-4301.C, 38.2-4306.A.2, 38.2-4306.B.1 or 38.2-4312.A, as well as Sections 5.A, 6.A(1), 6.A(2), 6.B(1), 9.C, 10.A, 13.A, or 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Sections 6.C.2, 8.B.2, 8.C.3, 10.B.1, 11.B.17, 12.A, or 12.B of the Commission's Rules Governing Health Maintenance Organizations;

(3) Defendant shall, on or before January 1, 1996, comply with the recommendations designated "19," "20," "21," and "23" in the final Market Conduct Examination Report, with the exception that Defendant shall be permitted to limit the review period suggested in Recommendation No. 19 to include only calendar years 1993, 1994, and 1995. The Bureau of Insurance shall have the right to verify compliance herewith at any time subsequent to January 1, 1995; and

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

CASE NO. INS950216
DECEMBER 18, 1995

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

CONSENT ORDER

WHEREAS, CPF Funding, Inc. ("CPF"), a Delaware-domiciled insurance premium finance company, has applied to the Commission for a license to transact the business of an insurance premium finance company in the Commonwealth of Virginia;

WHEREAS, after CPF applied for its insurance premium finance company license, CPF assumed the Virginia insurance premium finance contracts of an affiliate CPF Premium Funding, Inc., which had its insurance premium finance company license suspended by the Commission;

WHEREAS, CPF has agreed voluntarily to service the Virginia insurance premium finance contracts it assumed until such contracts are liquidated on or before March 1, 1996; and

WHEREAS, CPF has further agreed voluntarily not to solicit or issue any new insurance premium finance contracts in Virginia until such time as it is licensed as an insurance premium finance company by the Commission;

THEREFORE, IT IS ORDERED THAT:

(1) CPF shall continue to service its existing Virginia insurance premium finance contracts until such time as those contracts are liquidated; and

(2) CPF shall not solicit or issue any new insurance premium finance contracts in Virginia until such time as it is issued an insurance premium finance company license by the Commission.

CASE NO. INS950223
NOVEMBER 27, 1995

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

IMPAIRMENT ORDER

WHEREAS, Vista Life Insurance Company, a foreign corporation domiciled in the State of Michigan 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 September 30, 1995, Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $2,500,000, and surplus of $1,897,278;

IT IS ORDERED that, on or before January 12, 1996, Defendant eliminate the impairment in its surplus and restore the same to at least $1,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS950223
NOVEMBER 30, 1995

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

AMENDING ORDER

IT APPEARING that the Impairment Order entered herein November 27, 1995, contained a typographical error in the first ordering paragraph;

THEREFORE, IT IS ORDERED that, on or before January 12, 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.

CASE NO. INS950223
DECEMBER 14, 1995

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

FINAL ORDER

WHEREAS, by order entered herein November 30, 1995, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, by affidavit of Defendant's President, filed with the Clerk of the Commission, the Commission was advised that, as of December 7, 1995, Defendant restored its surplus to policyholders to at least $3,000,000;

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

THE COMMISSION, having considered the record herein and the recommendation of the Bureau of Insurance, is of the opinion that the Impairment Order entered by the Commission should be, and it is hereby, VACATED.

CASE NO. INS950224
NOVEMBER 27, 1995

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

IMPAIRMENT ORDER

WHEREAS, World Service Life Insurance Company of America, a foreign corporation domiciled in the State of Alabama and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, 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 September 30, 1995, Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,500,00, and surplus of $2,709,190;

IT IS ORDERED that, on or before January 12, 1996, Defendant eliminate the impairment in its surplus and restore the same to at least $1,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS950224
NOVEMBER 30, 1995

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

AMENDING ORDER

IT APPEARING that the Impairment Order entered herein November 27, 1995, contained a typographical error in the first ordering paragraph;

THEREFORE, IT IS ORDERED that, on or before January 12, 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.

CASE NO. INS950225
DECEMBER 14, 1995

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

IMPAIRMENT ORDER

WHEREAS, Statesman National Life Insurance Company, a foreign corporation domiciled in the State of Texas and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, 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 September 30, 1995, Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,000,000, and surplus of $2,791,991;

IT IS ORDERED that, on or before January 31, 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. INS950246
DECEMBER 20, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: Adoption of supplemental report form pursuant to Virginia Code § 38.2-1905.2

ORDER ADOPTING SUPPLEMENTAL REPORT FORM

PURSUANT to Virginia Code § 38.2-1905.2.A and B.,

IT IS ORDERED that the supplemental report form, which is attached hereto and made a part hereof, be, and it is hereby, ADOPTED; and

IT IS FURTHER ORDERED that licensed insurers file with the Commission their supplemental reports in the form adopted herein on or before May 1, 1996, as established in the Commission's December, 1995, Report to the Legislature pursuant to Virginia Code § 38.2-1905.1.A.

NOTE: A copy of Attachment A entitled "Supplemental Report Required by Virginia Code Section 38.2-1905.2 for Certain Lines or Subclassifications of Liability 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.

MOTOR CARRIER DIVISION - AUDITS

CASE NO. MCA870010
JUNE 21, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SPECIAL SERVICE TRANSPORTATION
1100 West Smith Road
Medina, Ohio 44256,
Defendant

JUDGMENT OF COMPROMISE AND SETTLEMENT

IT APPEARING to the State Corporation Commission that by Final Judgment Order dated April 27, 1987, the Defendant was ordered to surrender for cancellation on May 20, 1987, all registration cards, identification markers, stamps, warrants, exemption cards and decals issued by the Commission unless, before that date, the Defendant paid to the Commonwealth of Virginia a penalty in the sum of six thousand six hundred and sixty dollars and thirty-one cents dollars ($6,660.31); and

IT FURTHER APPEARING that the Commission's Motor Carrier Division has requested the Final Judgment Order be settled with the payment of a three thousand three-hundred and thirty dollar and sixteen cent ($3,330.16) penalty imposed, which amount having been paid; and

THE COMMISSION, upon consideration of said request, is of the opinion that penalty amount indicated in the Final Judgment Order was issued erroneously and should be satisfied as authorized by § 12.1-15 of the Code of Virginia; accordingly,

IT IS ORDERED:

(1) That the Final Judgment Order issued in this case on April 27, 1987, be, and the same is hereby, satisfied; and

(2) That the Commission's Motor Carrier Division forthwith allow Special Service Transportation to register its vehicle in Virginia so as to allow it to recommence operating in and through the Commonwealth.

CASE NO. MCA940063
JANUARY 12, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NATIONAL CARRIERS, INC.
1501 East 8th Street
P.O. Box 1358
Liberal, Kansas 67905,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of the additional taxes, penalty, and interest as set forth in the Rule to Show Cause, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pays the sum of $5,740.74, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA950005
MARCH 21, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TRAILBLAZER TRANSPORTATION, INC.
1000 Colfax
Gary, Indiana 46406,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on March 20, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That Defendant pay to the Commonwealth a penalty in the sum of $2,500;

(2) That judgment in the amount of $27,648.07 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties, and interest;

(3) That unless Defendant satisfies the penalty and judgment set forth in paragraphs (1) and (2) above prior to April 22, 1995, all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void, and all authority issued by the Commission to the Defendant shall be revoked; and

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

CASE NO. MCA950006
MAY 5, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KEYSTONE LINES, INC.
1855 West Katella Avenue, #350
Orange, California 92667,
Defendant

SETTLEMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant be penalized in the sum of $6,640.57, which amount to be paid according to the following payment plan: (1) May 18, 1995 - $1,660.15, (2) June 18, 1995 - $1,660.14, (3) July 18, 1995 - $1,660.14 and (4) August 18, 1995 - $1,660.14.

CASE NO. MCA950014
MAY 23, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SPRING GROVE TRANSPORT, INC.
30 Winston Churchill Drive
P.O. Box 1202
Hopewell, Virginia 23860,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on May 22, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That Defendant pay to the Commonwealth a penalty in the sum of $1,200;

(2) That judgment in the amount of $6,056.11 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties, and interest;

(3) That unless Defendant satisfies the penalty and judgment set forth in paragraphs (1) and (2) above prior to June 22, 1995, all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void, and all authority issued by the Commission to the Defendant shall be revoked; and

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

CASE NO. MCA950016
MAY 5, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SMITHFIELD TRANSPORTATION COMPANY, INC.
State Highway 10
P.O. Box 447
Smithfield, Virginia 23430,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of the additional taxes, penalty, and interest as set forth in the Rule to Show Cause, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pays the sum of $17,341.20, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA950019
MAY 23, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AAA COAST EXPRESS, INC.
550 Secaucus Road
Secaucus, New Jersey 07094,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on May 22, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That Defendant pay to the Commonwealth a penalty in the sum of $1,500;

(2) That judgment in the amount of $8,620.81 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties, and interest;

(3) That unless Defendant satisfies the penalty and judgment set forth in paragraphs (1) and (2) above prior to June 22, 1995, all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void, and all authority issued by the Commission to the Defendant shall be revoked; and

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

CASE NO. MCA950023
JULY 24, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
RONALD WAYNE POWERS, INC.
2901 Patterson Street
Greensboro, North Carolina 27407,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on July 24, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That Defendant pay to the Commonwealth a penalty in the sum of $2,500;

(2) That judgment in the amount of $19,305.72 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties, and interest;

(3) That unless Defendant satisfies the penalty and judgment set forth in paragraphs (1) and (2) above prior to August 25, 1995, all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void, and all authority issued by the Commission to the Defendant shall be revoked; and

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

CASE NO. MCA950024
OCTOBER 16, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SCHNEIDER NATIONAL CARRIERS, INC.
3101 South Packerland Drive
P.O. Box 2545
Green Bay, Wisconsin 54306,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of taxes owed, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pay taxes owed in the sum of $236,830.39, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA950031
OCTOBER 17, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SOUTHERN INTERMODAL LOGISTICS, INC.
5565 Export Boulevard - Garden City
P.O. Box 2967
Savannah, Georgia 31402,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on October 16, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED THAT:

(1) Defendant pay to the Commonwealth a penalty in the sum of $450.

(2) Judgment in the amount of $4,647.06 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties, and interest.

(3) Unless Defendant satisfies the penalty and judgment set forth in paragraphs (1) and (2) above prior to November 17, 1995, all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void, and all authority issued by the Commission to the Defendant shall be revoked.

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

CASE NO. MCA950032
OCTOBER 17, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
U.S. INTERMODAL CORP. OF SOUTH CAROLINA
5565 Export Boulevard - Garden City
Savannah, Georgia 31402,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on October 16, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED THAT:

(1) Defendant pay to the Commonwealth a penalty in the sum of $1,300.

(2) Judgment in the amount of $13,705.62 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties, and interest.

(3) Unless Defendant satisfies the penalty and judgment set forth in paragraphs (1) and (2) above prior to November 17, 1995, all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void, and all authority issued by the Commission to the Defendant shall be revoked.

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

CASE NO. MCA950032
OCTOBER 24, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
U.S. INTERMODAL CORP. OF SOUTH CAROLINA
5565 Export Boulevard - Garden City
P.O. Box 2967
Savannah, Georgia 31402,
Defendant

CORRECTING ORDER

IT APPEARING to the State Corporation Commission that a Final Judgment Order was issued in the above-captioned matter on October 17, 1995, indicating that the Defendant pay a penalty of $1,300; and a judgment in the amount of $13,705.62 for additional motor fuel road taxes, penalties and interest; and

IT FURTHER APPEARING that counsel to the Commission has indicated that $13,112.85 is owed in judgment and has requested that the original Final Judgment Order be amended to reflect $13,112.85 as the amount owed in judgment by the Defendant; accordingly,

IT IS ORDERED that the Commission's Order of October 17, 1995, be, and the same is hereby, amended to reflect $1,300 as penalty and a judgment amount of $13,112.85 in this case.

CASE NO. MCA950036
SEPTEMBER 11, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UPS TRUCK LEASING, INC.
990 Hammon Drive
Atlanta, GA 30328,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant having come on for hearing on September 11, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That Defendant pay to the Commonwealth a penalty in the sum of $2,500;

(2) That judgment in the amount of $26,963.06 be, and the same is hereby, entered against the Defendant for additional motor fuel road taxes, penalties, and interest;

(3) That unless Defendant satisfies the penalty and judgment set forth in paragraphs (1) and (2) above prior to October 11, 1995, all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission to the Defendant for motor vehicles owned and operated by the Defendant shall be null and void, and all authority issued by the Commission to the Defendant shall be revoked; and

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

CASE NO. MCA950040
OCTOBER 16, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NORTH ARKANSAS WHOLESALE CO., INC., t/a WALMART
702 Southwest 8th Street
Bentonville, Arkansas 72712,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of the taxes owed and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pay taxes in the sum of $12,060.31, which amount having been paid, this case is ordered removed from the docket.

CASE NO. MCA950045
NOVEMBER 16, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ESTES EXPRESS LINES
1100 Commerce Road
Richmond, Virginia 23224,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of the taxes owed, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pay taxes owed in the sum of $32,771.25, which amount having been paid, the case is ordered removed from the docket.

MOTOR CARRIER DIVISION - RATES AND TARIFFS

CASE NO. MCS930187
FEBRUARY 28, 1995

APPLICATION OF
S & T ENTERPRISES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that S & T Enterprises, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on January 13, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before March 2, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of January 13, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940049
FEBRUARY 17, 1995

APPLICATION OF
DARRELL RUTROUGH

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

On April 18, 1994, Darrell Rutrough ("Rutrough") filed an application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. The application requested authority to provide special or charter party service to all points in Virginia from origin points in the cities of Roanoke and Salem and the counties of Roanoke, Franklin, Floyd, Montgomery, Giles, Allegheny, Botetourt, Bedford, and Pulaski.

By Order dated May 20 and 26, 1994, the Commission assigned this matter to a Hearing Examiner, issued a procedural schedule, and set the matter for public hearing in Vinton, Virginia, on July 19, 1994. On June 8, 1994, a Protest was filed by Abbott Bus Lines, Inc. ("Abbott"). By agreement of the parties, the hearing was rescheduled for October 19, 1994.

Following the hearing, the Examiner issued his Report on December 13, 1994. In his Report, the Examiner found:

> Upon consideration of the evidence presented in this case, I find the Applicant has failed to prove he is fit, willing, and able to provide charter party service in Virginia. I therefore recommend that the Commission enter an order denying this application.

(Report, at 9.) No party filed comments or exceptions to the Examiner's Report, as permitted under Rule 5:16(e) of the Commission's Rules of Practice and Procedure.

NOW THE COMMISSION, having considered the Examiner's Report, the transcript of the hearing, the pleadings, and the applicable statutes and rules, is of the opinion and finds that the recommendation of the Examiner is supported by the record in its entirety and should be adopted. We find

that Rutrough has failed to demonstrate his fitness to operate as a certificated carrier in Virginia. He has accumulated several moving vehicle violations, a number of which while driving charter buses; has conducted intrastate charter trips in Virginia wholly without authority and has been fined by this Commission for these acts on three occasions; has admitted to further intrastate charter violations during the hearing herein; and has driven charter buses during his employment with Abbott on several occasions while his driving license had been suspended. Based upon this record, there can be little question that the Examiner's recommendation should be adopted. Accordingly,

IT IS ORDERED:

(1) That Rutrough's application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle is denied; and

(2) That there being nothing further to come before the Commission, the papers herein be transferred to the file for ended causes.

CASE NO. MCS940081
FEBRUARY 22, 1995

APPLICATION OF
GROOME TRANSPORTATION, INCORPORATED

To amend a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes No. P-2533

FINAL ORDER

The application of Groome Transportation Incorporated to amend a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes was heard before a Hearing Examiner on July 21, 1994.

The Honorable Deborah V. Ellenberg presided. Hamill D. "Skip" Jones, Jr. appeared as counsel for the Applicant. Graham G. Ludwig, Jr. appeared as counsel for the Commission. Kenworth E. Lion, Jr. appeared as counsel for the Protestant, O'Halloran, Inc. Eleven (11) interveners appeared and participated at the hearing.

After considering the evidence presented, the Hearing Examiner filed a written report on the 25th of January, 1995, in which she made the following findings of fact:

(1) That the Applicant is fit, willing and able to provide the proposed service; but

(2) That the Applicant did not meet its burden of proof in establishing that the public convenience and necessity would be served by the granting of the application.

The fifteen (15) day period for the filing of comments to the report has passed with no comments being filed.

Upon consideration of the application, the Hearing Examiner's Report and the transcript, the Commission is of the opinion, and so finds, that the application should be denied; Accordingly,

IT IS ORDERED:

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

CASE NO. MCS940082
APRIL 7, 1995

APPLICATION OF
ROBERT MASLOWSKI, t/a FANTASY LIMOUSINE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Robert Maslowski, t/a Fantasy Limousine ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on January 23, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before March 13, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of January 23, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940085
MAY 4, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ELVIN M. HUDNALL, t/a EASTERN LIMOUSINE
1015 Fourgurean Lane
Richmond, Virginia 23222,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on April 25, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-222, be, and the same is hereby revoked; and

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS940100
JANUARY 13, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CHARLES M. RICKS, JR., t/a CLASSIC LIMOUSINE
1701 West Cary Street
Richmond, Virginia 23220,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on January 10, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-195, be, and the same is hereby revoked; and

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS940122
FEBRUARY 24, 1995

APPLICATION OF
FRANCENE E. HUDSON

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Francene E. Hudson ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on December 30, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before February 21, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 30, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940127
MARCH 20, 1995

APPLICATION OF
GENE RODNEY CRAWFORD, t/a RODNEY'S LIMO SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Gene Rodney Crawford, t/a Rodney's Limo Service ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on January 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before March 13, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of January 24, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940129
JANUARY 20, 1995

APPLICATION OF
PRECIOUS CARGO CHILDREN'S TRANSPORTATION SERVICE, INC.

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on December 1, 1994, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes within the geographic area of the Counties of Fairfax, Arlington and Prince William as well as the Cities of Fairfax, Falls Church and Alexandria, Virginia, restricted to the transportation of children sixteen (16) years or younger.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Eric M. Page, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) There is existing public need for the proposed service of the Applicant;

(2) The Applicant is fit, willing, and able to provide the service requested; and

(3) The application is justified by the public convenience and necessity.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was deemed not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes in the geographic area of the Counties of Fairfax, Arlington and Prince William as well as the Cities of Fairfax, Falls Church and Alexandria, Virginia, restricted to the transportation of children sixteen (16) years or younger be, and the same is hereby, granted.

CASE NO. MCS940135
FEBRUARY 2, 1995

APPLICATION OF
JOHN CHABATHULA, t/a RJ EXECUTIVE SEDAN SERVICE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that John Chabathula, t/a RJ Executive Sedan Service ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on October 21, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 12, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 21, 1994. Comments were filed in opposition to the Application.

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, comments and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940136
JANUARY 9, 1995

APPLICATION OF
YELLOW BRICK ROAD, LTD.

For a license to broker the transportation of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on December 14, 1994, to receive evidence on this application of Yellow Brick Road, Ltd. for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia;

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Calvin F. Major, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing, and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia be, and the same is hereby, granted.

CASE NO. MCS940137
JANUARY 20, 1995

APPLICATION OF
IMANI TOURS, LTD.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on December 6, 1994, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service for small groups of twenty-five (25) or less from points of origin located in the Northern Neck Counties of Northumberland, Lancaster, Richmond, Westmoreland, Essex, Middlesex, Gloucester and Mathews, Virginia to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Calvin F. Major, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants, and no intervenors participated in the proceeding.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised counsel that he would recommend that the Commission enter an order granting the application. The transcript of the hearing and the Hearing Examiner's Report were filed on December 19, 1994.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity.

Counsel for the applicant waived his rights to file comments and the customary fifteen (15) day comment period was deemed unnecessary.

UPON CONSIDERATION of the Application, and the Hearing Examiner's Report, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Imani Tours, Ltd. is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle for small groups of twenty-five (25) or less from points of origin located in the Northern Neck Counties of Northumberland, Lancaster, Richmond, Westmoreland, Essex, Middlesex, Gloucester and Mathews, Virginia to all points within the Commonwealth of Virginia.

CASE NO. MCS940138
JANUARY 10, 1995

APPLICATION OF
TIDEWATER TOURING, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on December 14, 1994, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin in the Cities and Towns of Alexandria, Fairfax, Warrenton, Culpeper, Fredericksburg, Charlottesville, Colonial Heights, Hopewell, Petersburg, Newport News, Hampton, Franklin, Emporia, and South Hill, as well as the Counties of Arlington, Fairfax, Prince William, Stafford, Chesterfield, Prince George, Westmoreland, Dinwiddie, Sussex, Southampton, King William, King and Queen, Middlesex, Lancaster, Richmond, Northumberland, King George, Essex, Glouchester, Mathews, New Kent, Hanover, Goochland, Louisa, Fluvanna, Greensville, Spotsylvania, Powhatan, Amelia, Nottoway, Caroline, and Albemarle, Virginia, to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Calvin F. Major, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants, and no intervenors participated in the proceeding.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised counsel that he would recommend that the Commission enter an order granting the application. Counsel waived his rights to file any comments and the fifteen (15) day comment period was deemed unnecessary.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application, and the Hearing Examiner's Report, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Tidewater Touring, Inc. is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin in the Cities and Towns of Alexandria, Fairfax, Warrenton, Culpeper, Fredericksburg, Charlottesville, Colonial Heights, Hopewell, Petersburg, Newport News, Hampton, Franklin, Emporia, and South Hill, as well as the Counties of Arlington, Fairfax, Prince William, Stafford, Chesterfield, Prince George, Westmoreland, Dinwiddie, Sussex, Southampton, King William, King and Queen, Middlesex, Lancaster, Richmond, Northumberland, King George, Essex, Glouchester, Mathews, New Kent, Hanover, Goochland, Louisa, Fluvanna, Greensville, Spotsylvania, Powhatan, Amelia, Nottoway, Caroline, and Albemarle, Virginia, to all points within the Commonwealth of Virginia.

CASE NO. MCS940139
MARCH 31, 1995

APPLICATION OF
RUSSELL ALLEN LIPSCOMB, t/a CLASSIC LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Russell Allen Lipscomb, t/a Classic Limousine Service ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on October 21, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 12, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 21, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940140
JANUARY 23, 1995

APPLICATION OF
NEON LIMOUSINES, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Neon Limousines, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on October 21, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 12, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 21, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940141
FEBRUARY 22, 1995

APPLICATION OF
DAVID L. LONG, t/a LONG'S LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that David L. Long, t/a Long's Limousine Service ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on October 21, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 12, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 21, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940142
JANUARY 26, 1995

APPLICATION OF
OCCASION UNLIMITED, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Occasion Unlimited, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on October 21, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 12, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 21, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940147
MAY 10, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NATIONAL LIMOUSINE, INC.
1206 Laskin Road, Suite 250
Virginia Beach, Virginia 23451,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on November 22, 1994, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-124, be, and the same is hereby revoked; and

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS940148
MAY 10, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNLIMITED LIMO, INC.
12 South Cameron Street
Winchester, Virginia 22601,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on November 22, 1994, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-112, be, and the same is hereby revoked; and

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS940151
FEBRUARY 22, 1995

APPLICATION OF
L. SHELLEY CONNELL, t/a KID TAXI

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on January 18, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes within the geographic area of the County of Henrico, as well as the City of Richmond, Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. The Applicant appeared pro se. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) There is existing public need for the proposed service of the Applicant;

(2) The Applicant is fit, willing, and able to provide the service requested; and

(3) The application is justified by the public convenience and necessity.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised the Applicant that he would recommend that the Commission enter an order granting the application. Applicant then waived her right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was deemed not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes in the geographic area of the County of Henrico, as well as the City of Richmond, Virginia be, and the same is hereby, granted with the restriction that service shall be restricted to the transportation of children three (3) years of age to sixteen (16) years of age with parental permission.

CASE NO. MCS940153
FEBRUARY 16, 1995

APPLICATION OF
BRUCE G. ALLEN

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Bruce G. Allen ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on October 21, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 12, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 21, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940155
FEBRUARY 16, 1995

APPLICATION OF
IN STYLE LIMOUSINE, LTD.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that In Style Limousine, Ltd. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on October 21, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 12, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 21, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940156
FEBRUARY 23, 1995

APPLICATION OF
MARTIN THOMAS MCLAUGHLIN, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on February 8, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service, in vehicles having a seating capacity of sixteen (16) or fewer passengers, from points of origin located in the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, as well as the Counties of Arlington, Fairfax, Loudoun, and Prince William, Virginia to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. M. Brooks Savage, Jr., Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants, and no intervenors participated in the proceeding.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised counsel that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application and the Hearing Examiner's Report, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Martin Thomas McLaughlin, Inc. is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle, in vehicles having a seating capacity of sixteen (16) or fewer passengers, from points of origin located in the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, as well as the Counties of Arlington, Fairfax, Loudoun, and Prince William, Virginia to all points within the Commonwealth of Virginia.

CASE NO. MCS940157
JANUARY 23, 1995

APPLICATION OF
UNIVERSAL COACH TOURS, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on December 7, 1994, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the Counties of Caroline, Dinwiddie, Chesterfield, Charles City, Essex, Goochland, Hanover, Henrico, King William, King & Queen, Louisa, New Kent, Powhatan, Prince George, and Spotsylvania as well as the Cities of Colonial Heights, Hopewell, Petersburg, Richmond and Williamsburg, Virginia to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Calvin F. Major, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants, or intervenors participated in the proceeding.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised counsel that he would recommend that the Commission enter an order granting the application. Counsel for the applicant waived his right to file comments and the customary fifteen (15) day comment period was deemed unnecessary.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application, and the Hearing Examiner's Report, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Universal Coach Tours, Inc. is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the Counties of Caroline, Dinwiddie, Chesterfield, Charles City, Essex, Goochland, Hanover, Henrico, King William, King & Queen, Louisa, New Kent, Powhatan, Prince George, and Spotsylvania as well as the Cities of Colonial Heights, Hopewell, Petersburg, Richmond and Williamsburg, Virginia to all points within the Commonwealth of Virginia.

CASE NO. MCS940158
FEBRUARY 16, 1995

APPLICATION OF
KARIM DINIA, t/a EXECUTIVE SEDANS

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Karim Dinia, t/a Executive Sedans ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before January 30, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940159
FEBRUARY 16, 1995

APPLICATION OF
JEFFREY BOWLES

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Jeffrey Bowles ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before January 30, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940161
MARCH 1, 1995

APPLICATION OF
ABDALLAH MOSSAID

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Abdallah Mossaid ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before January 30, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940162
MARCH 16, 1995

APPLICATION OF
LINDA G. ERVIN & SAMUEL R. ERVIN, JR., t/a L&S LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Linda G. Ervin & Samuel R. Ervin, Jr., t/a L&S Limousine Service ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before January 30, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940163
FEBRUARY 16, 1995

APPLICATION OF
MICHAEL R. PACKETT, t/a VICTORY LANE TOURS

For a license to broker the transportation of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on January 23, 1995, to receive evidence on this application of Michael R. Packett, t/a Victory Lane Tours for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia;

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Hamill D. Jones, Jr., Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing, and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that she would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia be, and the same is hereby, granted.

CASE NO. MCS940164
FEBRUARY 22, 1995

APPLICATION OF
RESTON LIMOUSINE AND TRAVEL SERVICES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Reston Limousine and Travel Services, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before January 30, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (I) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940165
FEBRUARY 22, 1995

APPLICATION OF
GARLAND T. EUTSLER, II and RONALD L. CAIRNS, t/a LIMOUSINES OF SHENANDOAH

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Garland T. Eutsler, II and Ronald L. Cairns, t/a Limousines of Shenandoah ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on November 15, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 29, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 15, 1994; that a comment to the Application was filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, the comments, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940172
FEBRUARY 22, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
RENAISSANCE LIMOUSINE SERVICE, INC.
2 Pidgeon Hill Drive
Suite 340
Sterling, Virginia 20165,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on February 14, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine and executive sedan carrier, Nos. LM-180 and XS-28, be, and the same is hereby, revoked; and

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS940173
FEBRUARY 22, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ANN M. REHMART
2253 Estuary Court
Virginia Beach, Virginia 23451,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on February 14, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a broker of transportation of passengers by motor vehicle, No. B-130, be, and the same is hereby, revoked; and

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS940174
FEBRUARY 22, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BARBARA P. PYLE, t/a BP TOUR AND TRAVEL
1210 Colonial Avenue
Norfolk, Virginia 23517

FINAL JUDGMENT ORDER

This Rule to Show Cause issued against the Defendant having come for hearing on February 14, 1995, and the Commission having found the defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the authority issued by order of this Commission in Case No. MCS940035 as a broker of transportation of passengers by motor vehicle carrier to the Defendant be, and the same is hereby, revoked.

CASE NO. MCS940178
MARCH 20, 1995

APPLICATION OF
RESERVED ROYAL RIDES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Reserved Royal Rides, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before January 30, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940179
FEBRUARY 22, 1995

APPLICATION OF
CRYSTAL COACHES LIMOUSINE SERVICE, INCORPORATED

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Crystal Coaches Limousine Service, Incorporated ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before January 30, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940180
MARCH 13, 1995

APPLICATION OF
MALCOLM H. FITZGERALD,
Transferor
and
MAC'S MOVING & HAULING, INC.,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-448

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on February 9, 1995, to consider this application to transfer certificate of public convenience and necessity as a household goods carrier, No. HG-448, which authorizes the holder thereof to transport household goods between all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Meredith A. House, Esquire, and Carolyn A. White, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No protests were filed and no interveners participated in the proceeding.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of Certificate No. HG-448;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that she would recommend that the Commission enter an Order granting the application. Counsel then waived their right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a household goods carrier, No. HG-448, be, and the same is hereby, granted.

CASE NO. MCS940181
MARCH 1, 1995

APPLICATION OF
AT YOUR SERVICE LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that At Your Service Limousine, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before February 6, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940182
FEBRUARY 16, 1995

APPLICATION OF
ROBERTS TOURS, INCORPORATED

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on February 8, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the Counties of Henrico, Chesterfield and Hanover, as well as the City of Richmond, Virginia to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson. Robert J. Burr, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or intervenors appeared or participated in the proceeding.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised counsel that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was deemed unnecessary.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application, the Hearing Examiner's Report, and the transcript the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Roberts Tours, Incorporated is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the Counties of Henrico, Chesterfield and Hanover, as well as the City of Richmond to all points within the Commonwealth of Virginia.

CASE NO. MCS940185
MARCH 1, 1995

APPLICATION OF
HAMZA K. BASSA, t/a INTERNATIONAL GUEST SERVICES

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Hamza K. Bassa, t/a International Guest Services ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on December 14, 1994, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before February 6, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of December 14, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940187
MAY 5, 1995

APPLICATION OF
RESERVED ROYAL RIDES, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Reserved Royal Rides, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 1, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 20, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 1, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS940191
MAY 9, 1995

APPLICATION OF
ATLANTIC COACH, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on February 28, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the counties of Stafford, Fairfax, Arlington, and Prince William, as well as the cities of Alexandria, Falls Church, Manassas, Manassas Park, and Fairfax, Virginia, to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Calvin F. Major, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or intervenors participated in the proceedings.

At the conclusion of the hearing, the Applicant requested a continuance to allow it to produce and introduce supplemental financial evidence. Said request was granted, and the hearing was reconvened on April 18, 1995. At that time, the Applicant submitted an amended financial statement, and the Hearing Examiner announced his findings from the bench and advised counsel that he would recommend that the Commission enter an order granting the application. The transcript of the hearing and the Hearing Examiner's Report were filed on May 1, 1995.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application, the Hearing Examiner's Report, and the transcript, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Atlantic Coach, Inc. is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the counties of Stafford, Fairfax, Arlington, and Prince William, as well as the cities of Alexandria, Falls Church, Manassas, Manassas Park, and Fairfax, Virginia to all points within the Commonwealth of Virginia.

CASE NO. MCS940191
JUNE 9, 1995

APPLICATION OF
ATLANTIC COACH, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

CORRECTING ORDER

IT APPEARING to the State Corporation Commission ("Commission") that by Final Order dated May 9, 1995, Atlantic Coach, Inc. was granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the Counties of Stafford, Fairfax, Arlington, and Prince William, as well as the Cities of Alexandria, Falls Church, Manassas, Manassas Park and Fairfax, Virginia to all points within the Commonwealth of Virginia; and

IT FURTHER APPEARING that the Applicant requested in open Court and was granted permission, for good cause shown, to withdraw from its application the authority sought for the County of Stafford, Virginia; and,

IT IS FURTHER APPEARING that counsel to the Commission has requested that the Final Order be amended to reflect a withdrawal of Stafford County, Virginia as service authority granted; accordingly,

IT IS ORDERED that the Final Order of May 9, 1995, be and the same is hereby amended to reflect the withdrawal of Stafford County, Virginia as authority granted to Applicant.

CASE NO. MCS950004
APRIL 3, 1995

APPLICATION OF
LARRY L. WILLIAMS

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner of March 7, 1995, to receive evidence on this Application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle which would authorize the holder thereof to transport passengers along the routes indicated by Exhibit A attached hereto on the Islands of Chincoteague and Assateague in Accomack County, Virginia.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner, Glenn P. Richardson. The Applicant appeared pro se. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing but a facsimile request for a continuance had been received by the Commission's Staff on March 3, 1995, four (4) days prior to the hearing. The request for a continuance was on behalf of the town of Chincoteague alleging that it had not received proper notice.

At the commencement of the hearing, the Hearing Examiner questioned the Applicant and determined that a copy of the Application and the Order Scheduling Hearing had been hand delivered to the secretary of the Town Manager of the Town of Chincoteague prior to the 15th of February, 1995, by the Applicant.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The hand delivery of the written notice of the hearing constituted actual notice of the hearing within the proper time frame required by the Commission's Order Scheduling Hearing;

(2) There is an existing public need for the proposed service of the Applicant, as evidenced by the letters of support from the Fish and Wildlife Service and the National Park Service;

(3) The Applicant is fit, willing, and able to provide the service requested; and

(4) The Application is justified by the public convenience and necessity.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised the Applicant that he would recommend that the Commission enter an order granting the Application. Applicant then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was deemed not to be necessary.

Upon consideration of the Application, the Hearing Examiner's Report, the request for a continuance on behalf of the Town of Chincoteague, the letters of both the National Park Service, as well as the Fish and Wildlife Service, and the transcript of the hearing, the Commission is of the opinion and so finds, that the Application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over the routes as shown on Exhibit A attached hereto be, and the same is hereby, granted.

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

CASE NO. MCS950007
MARCH 3, 1995

APPLICATION OF
FRANKLIN CHARTER BUS, INC.,
Transferor
and
FRANKLIN MOTORCOACH, INC.,
Transferee

To transfer certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, No. B-257

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on February 15, 1995, to receive evidence on this Application for the transfer of certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, which would authorize the holder thereof to transport passengers in special or charter parties by motor vehicle from locations in the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, as well as the counties of Arlington, Fairfax, Loudoun, and Prince William, Virginia, to all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Calvin F. Major, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of Certificate No. B-257;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, No. B-257, be, and the same is hereby, granted.

CASE NO. MCS950008
MARCH 3, 1995

APPLICATION OF
WASHINGTON, VIRGINIA AND MARYLAND COACH COMPANY, INC.,
Transferor
and
FRANKLIN MOTORCOACH, INC.,
Transferee

To transfer certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, No. A-10

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on February 15, 1995, to receive evidence on this Application for the transfer of certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, which would authorize the holder thereof to transport passengers in special or charter parties by motor vehicle between all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Calvin F. Major, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of Certificate No. A-10;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, No. A-10, be, and the same is hereby, granted.

CASE NO. MCS950009
MARCH 3, 1995

APPLICATION OF
FRANKLIN CHARTER BUS, INC.,
Transferor
and
FRANKLIN MOTORCOACH, INC.,
Transferee

To transfer certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over regular routes, No. P-2604

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on February 15, 1995, to receive evidence on this Application for the transfer of certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over regular routes, which would authorize the holder thereof to transport passengers by motor vehicle between Delaplane, Virginia, and Dulles International Airport via Interstate 66 and State Route 28 serving Exit 47 (Manassas), Exit 43 (Gainesville), Exit 40 (Haymarket), and Exit 23 (Delaplane) as off route points within three (3) miles of said exits, with the restriction that the Transferee is not to board or discharge passengers having a prior or subsequent journey by air along State Route 28 between Centreville and Dulles International Airport.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Calvin F. Major, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of Certificate No. P-2604;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over regular routes, No. P-2604, be, and the same is hereby, granted.

CASE NO. MCS950013
MAY 4, 1995

APPLICATION OF
TABA LIMOUSINE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Taba Limousine, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 23, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 17, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 23, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950015
MAY 4, 1995

APPLICATION OF
SIGNATURE LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Signature Limousine Service, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 17, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 24, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950016
MAY 4, 1995

APPLICATION OF
BROWN'S LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Brown's Limousine, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 17, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 24, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950017
MAY 5, 1995

APPLICATION OF
ALLAN NEUSTADTER, t/a CHOICE LIMOUSINE & SEDAN SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Allan Neustadter, t/a Choice Limousine & Sedan Service ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 17, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 24, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950018
MAY 23, 1995

APPLICATION OF
BARNES & BARNES TRANSPORTATION SERVICES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Barnes & Barnes Transportation Services, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 17, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 24, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950020
MAY 22, 1995

APPLICATION OF
AES LIMOUSINE SERVICE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that AES Limousine Service, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 17, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 24, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950021
MAY 4, 1995

APPLICATION OF
DAVID E. MARVEL

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that David E. Marvel ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 17, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 24, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950022
APRIL 17, 1995

APPLICATION OF
DAFRE, INC.

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on April 10, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes.

ON THE APPOINTED DAY, the hearing was convened before Glenn P. Richardson, Senior Hearing Examiner. Linda Brosky, appeared as counsel for the applicant. Graham G. Ludwig appeared as counsel for the Commission. Hammel D. Jones appeared as counsel to the Protestants, Groome Transportation, Inc., Transportation General, Inc., Arlington Yellow Cab Company, Inc., Murphy Brothers, Inc., Fairfax Taxi In., Loudoun Yellow Cab Company, Inc., Ira C. Inc., and Alexandria Yellow Cab, Inc. A protest was filed on behalf of Alexandria Diamond Cab Inc. by Michael W. Beasley, Esquire, who did not appear or participate. No Intervenors appeared or participated.

At the beginning of the hearing, the Applicant amended its application to remove certain Cities and Counties from the description of the authority applied for, and later withdrew the application. The withdrawal was approved by a ruling of the Hearing Examiner dated April 11, 1995; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings are adopted and the application is dismissed without prejudice.

CASE NO. MCS950023
APRIL 18, 1995

APPLICATION OF
ALLIANCE MOVING & STORAGE CO., INC.,
Transferor
and
EUREKA VAN & STORAGE CO., INC.,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-407

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on April 11, 1995, to consider this application to transfer certificate of public convenience and necessity as a household goods carrier, No. HG-407, which authorizes the holder thereof to transport household goods between all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Charles W. Hundley, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No protests were filed and no intervener(s) participated in the proceeding.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of Certificate No. HG-407;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an Order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a household goods carrier, No. HG-407, be, and the same is hereby, granted.

CASE NO. MCS950024
APRIL 14, 1995

APPLICATION OF
VIRGINIA S. HUGHSON and LOUISA M. VIA,
Transferor
and
RAINBOW TOUR AND TRAVEL, INC.,
Transferee

For a license to broker the transportation of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held in this case, and appointed a Hearing Examiner to conduct all proceedings in connection with the hearing. By a letter dated March 21, 1995, the president of the Transferee requested that the application for transfer be dismissed. By a ruling of the Hearing Examiner dated March 21, 1995, it was recommended that the request be granted and the case dismissed from the Commission's docket of pending proceedings.

Upon consideration of the Hearing Examiner's report, the Commission is of the opinion and finds that the request to dismiss the application is proper and should be granted; accordingly,

IT IS ORDERED:

(1) That the request of the Transferee to withdraw its application be, and the same is hereby granted, and this case is dismissed from the docket.

CASE NO. MCS950025
MAY 5, 1995

APPLICATION OF
LIMO EXPRESS, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Limo Express, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 17, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 24, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950026
MAY 5, 1995

APPLICATION OF
LIMO EXPRESS, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Limo Express, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before April 17, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 24, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950031
MAY 10, 1995

APPLICATION OF
CONSOLACION ASUNCION PASTOR

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Consolacion Asuncion Pastor ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 15, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before May 8, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 15, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950032
MAY 10, 1995

APPLICATION OF
HOWARD A. LINDSEY

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Howard A. Lindsey ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 15, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before May 8, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 15, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950033
MAY 10, 1995

APPLICATION OF
MANASSAS CAB COMPANY

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Manassas Cab Company ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 15, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before May 8, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 15, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950034
MAY 10, 1995

APPLICATION OF
ROBERT E. BURTON, t/a BURTON TRANSPORTATION

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Robert E. Burton, t/a Burton Transportation ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 15, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before May 8, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 15, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950035
MAY 4, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ATEF I. ABDELHADI, t/a HADI LIMOUSINE COMPANY
3331 Willow Crescent Drive, #12
Fairfax, Virginia 22030,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on April 25, 1995, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the Defendant's Certificate as a limousine carrier, No. LM-172, be, and the same is hereby, revoked; and

(2) That all registration cards, identification markers, warrants, and decals issued to the Defendant are void and shall be surrendered for cancellation.

CASE NO. MCS950036
MAY 10, 1995

APPLICATION OF
SHAMIN'S SONS, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Shamin's Sons, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 15, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before May 8, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 15, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950037
MAY 12, 1995

APPLICATION OF
BALLARD HENRY MILTON,
Transferor
and
WILLARD C. THOMPSON, d/b/a ALL STAR MOVERS,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-77

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on April 27, 1995, to consider this application to transfer certificate of public convenience and necessity as a household goods carrier, No. HG-77, which authorizes the holder thereof to transport household goods between all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Glenn P. Richardson. David Hall, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No protests were filed and no intervener(s) participated in the proceeding.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of Certificate No. HG-77;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an Order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a household goods carrier, No. HG-77, be, and the same is hereby, granted.

CASE NO. MCS950041
MAY 26, 1995

APPLICATION OF
INTERSTATE VAN LINES, INC.

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over regular routes

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on May 3, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over regular routes, as shown on Exhibit A attached hereto.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Deborah V. Ellenberg. Calvin F. Major appeared as counsel for the applicant, and Graham G. Ludwig, Jr., appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented, the Hearing Examiner found that:

1. There is existing public need for the proposed service of the applicant;

2. The applicant is fit, willing, and able to perform the services requested; and

3. The application is justified by the public convenience and necessity.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the applicant that she would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary 15-day comment period was deemed not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the application is proper and justified by the public interest and as such should be granted. Accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over regular routes, as shown on Exhibit A attached hereto, be, and the same is hereby, granted.

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

CASE NO. MCS950044
MAY 30, 1995

APPLICATION OF
ALI SIAHPOUSH, t/a DESTINATION SEDAN SERVICES

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Ali Siapoush, t/a Destination Sedan Services ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 31, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before May 22, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 31, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be and the same is hereby, granted authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950045
MAY 30, 1995

APPLICATION OF
MICHAEL LINETT

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Michael Linett ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 31, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before May 22, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 31, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan be and the same is hereby, granted authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950046
JUNE 15, 1995

APPLICATION OF
GALLOP BUS LINES, LTD.

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over regular route

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 17, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over the regular route set forth in Exhibit A attached hereto.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Calvin F. Major, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) There is existing public need for the proposed service of the Applicant;

(2) The Applicant is fit, willing, and able to provide the service requested; and

(3) The application is justified by the public convenience and necessity.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was deemed not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over the regular route set forth in Exhibit A attached hereto be, and the same is hereby, granted.

NOTE: A copy of Exhibit A entitled "Route Description Gallop Bus Lines, Inc." 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. MCS950047
JUNE 26, 1995

APPLICATION OF
WET CONNECTION CORPORATION, t/a STAR CITY LIMO SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Wet Connection Corporation, t/a Star City Limo Service ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of

Virginia (1950); that the Commission entered an Amending Order on June 1, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 22, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of June 1, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950048
JUNE 29, 1995

APPLICATION OF
CHARLES ROSS HALEY

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Charles Ross Haley ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on March 31, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before May 22, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 31, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950049
MAY 12, 1995

APPLICATION OF
MARIE TROYE PRIBBLE, t/a IMAGE TOURS

For a license to broker the transportation of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on May 4, 1995, to receive evidence on this application of Marie Troye Pribble, t/a Image Tours for a license to broker the transportation of passengers by motor vehicle;

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr.. Marie Troye Pribble, Applicant, appeared pro se. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing, and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised the Applicant that he would recommend that the Commission enter an order granting the application. Applicant then waived her right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia be, and the same is hereby, granted.

CASE NO. MCS950050
MAY 30, 1995

APPLICATION OF
T. W. MAYTON TRANSFER COMPANY, INC.,
Transferor
and
MASON MOVING & STORAGE, INC.,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-97

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 18, 1995, to consider this application to transfer certificate of public convenience and necessity as a household goods carrier, No. HG-97, which authorizes the holder thereof to transport household goods between all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Calvin F. Major, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No protests were filed and no intervener(s) participated in the proceeding.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of Certificate No. HG-97;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that she would recommend that the Commission enter an Order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a household goods carrier, No. HG-97, be, and the same is hereby, granted.

CASE NO. MCS950051
MAY 12, 1995

APPLICATION OF
L. A. SHEFFIELD TRANSFER & STORAGE, INC.,
Transferor
and
TANNER INTERNATIONAL FORWARDING, INC.,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-277

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 2, 1995, to consider this application to transfer certificate of public convenience and necessity as a household goods carrier, No. HG-277, which authorizes the holder thereof to transport household goods between all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Richard L. Grier, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire appeared as counsel for the Commission. No protests were filed and no intervener(s) participated in the proceeding.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of Certificate No. HG-277;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an Order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a household goods carrier, No. HG-277, be, and the same is hereby, granted.

CASE NO. MCS950052
MAY 5, 1995

APPLICATION OF
NATIONAL COACH WORKS, INC. OF VIRGINIA

For a certificate of public convenience and necessity as a sight-seeing carrier of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on April 26, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a sight-seeing carrier of passengers by motor vehicle.

ON THE APPOINTED DAY the application came on for hearing before Hearing Examiner Deborah V. Ellenberg. Calvin F. Major appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing, and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the rules and regulations of the Commission; and

(3) The application is proper and the public's convenience and necessity will be served.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised the Applicant that she would recommend that the Commission enter an order granting the application. The Applicant then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was deemed not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a sight-seeing carrier of passengers by motor vehicle, as set forth in the application, be, and the same is hereby, granted.

CASE NO. MCS950054
JUNE 8, 1995

APPLICATION OF
FACE LIMOUSINE & TOUR SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Face Limousine & Tour Service, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 7, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 24, 1995; that no request for hearing was made or comment filed; .

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950055
JUNE 15, 1995

APPLICATION OF
AES LIMOUSINE SERVICE, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 31, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the Counties of Arlington, Clarke, Fairfax, Frederick, Loudoun and Warren as well as the City of Winchester, Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Calvin F. Major, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. Hamill D. Jones, Jr., Esquire, appeared as counsel to the Protestant, and no intervener(s) participated in the proceeding.

During the hearing, counsel for the Applicant, requested that Applicant's application be amended as to reflect a modification in the service authority sought. Applicant's request was granted, upon a finding of good cause shown, by the Hearing Examiner. And, Protestants' counsel, withdrew the protest.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised counsel that he would recommend that the Commission enter an order granting the application. Applicant's counsel then waived their right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was deemed unnecessary.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application, as amended, is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application, the Hearing Examiner's Report, and the transcript, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That AES Limousine Service, Inc. is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the Counties of Arlington, Clarke, Fairfax, Frederick, Loudoun and Warren as well as the City of Winchester, Virginia, restricted to trips originating or terminating in the City of Winchester, or the Counties of Clarke, Frederick or Warren, Virginia.

CASE NO. MCS950056
JUNE 15, 1995

APPLICATION OF
TRANSPORTATION MANAGEMENT SERVICES, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on June 2, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the counties of Prince William, Fairfax, and Arlington, as well as the cities of Manassas, Manassas Park, Fairfax, Alexandria, and Falls Church, Virginia to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Calvin F. Major, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestant(s) or intervenor(s) appeared or participated in the proceeding.

At the conclusion of the hearing, the Hearing Examiner announced her findings from the bench and advised counsel that she would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was deemed unnecessary.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application, the Hearing Examiner's Report and the transcript, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Transportation Management Services, Inc. is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the counties of Prince William, Fairfax, and Arlington, as well as the cities of Manassas, Manassas Park, Fairfax, Alexandria, and Falls Church, Virginia to all points within the Commonwealth of Virginia.

CASE NO. MCS950058
JUNE 9, 1995

APPLICATION OF
DENNIS E. KUPIEC, t/a STAR TRANSPORT & LIMO

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Dennis E. Kupiec, t/a Star Transport & Limo ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 20, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 7, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 20, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950059
MAY 30, 1995

APPLICATION OF
GROUND TRANSPORTATION SPECIALIST, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 15, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the counties of Chesterfield, Henrico, James City, New Kent, Prince William, and York, as well as the cities of Chesapeake, Hampton, Manassas, Manassas Park, Newport News, Norfolk, Portsmouth, Richmond, Virginia Beach, and Williamsburg, Virginia to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Calvin F. Major, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants and no intervenors participated in the proceeding.

At the conclusion of the hearing, the Hearing Examiner announced her findings from the bench and advised counsel that she would recommend that the Commission enter an order granting the application.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application, the Hearing Examiner's Report, and the transcript, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Ground Transportation Specialist, Inc. is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the counties of Chesterfield, Henrico, James City, New Kent, Prince William, and York, as well as the cities of Chesapeake, Hampton, Manassas, Manassas Park, Newport News, Norfolk, Portsmouth, Richmond, Virginia Beach, and Williamsburg, Virginia to all points within the Commonwealth of Virginia.

CASE NO. MCS950060
JUNE 8, 1995

APPLICATION OF
EAGLE AIRPORT EXPRESS, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Eagle Airport Express, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 18, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 6, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 18, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950061
JUNE 1, 1995

APPLICATION OF
NEW WORLD TOURS, INC.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 25, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the Counties of Stafford and Spotsylvania, as well as the City of Fredericksburg, Virginia to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Calvin F. Major, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestant, and no interveners appeared or participated in the proceeding.

During the hearing, Calvin F. Major, Esquire, counsel for the Applicant, requested that the Application be withdrawn.

The Hearing Examiner announced his ruling from the bench and advised counsel, upon a finding of good cause shown, that he would recommend that the Commission enter an order withdrawing the application, without prejudice.

UPON CONSIDERATION of the Application, and counsel's request for Application withdrawal, the Commission is of the opinion and finds that the application should be withdrawn without prejudice; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That New World Tours, Inc. Application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle be, and the same is hereby, dismissed without prejudice.

CASE NO. MCS950062
JUNE 9, 1995

APPLICATION OF
D.A.Y. ENTERPRISES, INC.,
Transferor
and
NEW WORLD TOURS, INC.,
Transferee

To transfer a portion of a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle No. B-411

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 25, 1995, to receive evidence on this Application for the transfer of a portion of certificate of public convenience and necessity as a special or charter party carrier by motor vehicle No. B-411, which would authorize the holder thereof to transport passengers in special or charter parties by motor vehicle from the County of Loudoun, Virginia to all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Calvin F. Major, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire, appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of a portion of Certificate No. B-411;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of a portion of certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, No. B-411, which authorizes the holder thereof to transport passengers in special or charter parties by motor vehicle from the County of Loudoun, Virginia to all points in Virginia, be and the same is hereby, granted.

CASE NO. MCS950063
JUNE 9, 1995

APPLICATION OF
TRI-STATE CASINO TOURS, INC. OF VIRGINIA,
Transferor
and
NEW WORLD TOURS, INC.,
Transferee

To transfer certificate of public convenience and necessity as a special or charter party carrier by motor vehicle No. B-380

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 25, 1995, to receive evidence on this Application for the transfer of certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, which would authorize the holder thereof to transport passengers in special or charter parties by motor vehicle to all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Calvin F. Major, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire, appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of Certificate No. B-380;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, No. B-380, be, and the same is hereby, granted.

CASE NO. MCS950064
JUNE 9, 1995

APPLICATION OF
TRI-STATE CASINO TOURS, INC. OF VIRGINIA,
Transferor
and
NEW WORLD TOURS, INC.,
Transferee

To transfer certificate of public convenience and necessity as a common carrier of passengers by motor vehicle Nos. P-2585 and P-2603

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 25, 1995, to receive evidence on this Application for the transfer of certificates of public convenience and necessity as a common carrier of passengers by motor vehicle, which would authorize the holder thereof to transport passengers by motor vehicle.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Calvin F. Major, Esquire, appeared as counsel for the Applicants. Graham G. Ludwig, Jr., Esquire, appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found:

(1) That the Transferee is fit, willing, and able to provide the services required under the transfer of Certificate No. Nos. P-2585 and P-2603;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the Application is proper and in the public interest.

At the conclusion of the hearing on this Application, the Hearing Examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an order granting the Application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the Application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the Application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That the transfer of certificates of public convenience and necessity as a common carrier of passengers by motor vehicle Nos. P-2585 and P-2603, be, and the same is hereby, granted.

CASE NO. MCS950065
JUNE 9, 1995

APPLICATION OF
NEON LIMOUSINE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Neon Limousine, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 24, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 7, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 24, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950066
JUNE 23, 1995

APPLICATION OF
CAPITAL TOURS & TRANSPORTATION (VIRGINIA), INC.

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held on June 3, 1995, before a Hearing Examiner to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes within the geographic area of the counties of Arlington, Fairfax, Loudoun, and Prince William, as well as the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, Virginia;

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Howard P. Anderson, Jr. M. Brooks Savage, Jr., Esquire appeared as counsel for the Applicant, and Hamill D. Jones, Esquire appeared as counsel to the Protestants. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No intervenors appeared or participated at the hearing.

During the hearing, the Applicant agreed to amend its application to include the restriction that service would be limited to the transportation of passengers to or from airports located within the geographic area listed above in van-styled vehicles having seating capacities of between seven (7) and fifteen (15) passengers. The Protestants then withdrew their protests.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) There is existing public need for the proposed service are of the Applicant;

(2) The Applicant is fit, willing, and able to provide the service requested; and

(3) The application is justified by the public convenience and necessity.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel that he would recommend that the Commission enter an order granting the application. Counsel then waived the customary 15-day comment period.

Upon consideration of the application, the transcript, and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the application is proper and in the public interest and should be granted. Accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes in the geographic area of the counties of Arlington, Fairfax, Loudoun, and Prince William, as well as the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, Virginia, restricted to passengers going to and from airports, in van-like vehicles having a seating capacity of between seven (7) to fifteen (15) passengers be, and the same is hereby, granted to the Applicant.

CASE NO. MCS950067
JUNE 30, 1995

APPLICATION OF
LUXURY LIMOUSINE, LTD.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Luxury Limousine, Ltd. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on June 8, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 26, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of June 8, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950068
JUNE 9, 1995

APPLICATION OF
CLIFTON D. MARTIN, d/b/a MARTIN TRANSIT

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 26, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle which would authorize the holder thereof to transport passengers along the following routes: As indicated by Exhibit A attached hereto.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Thomas L. Phillips, Jr., Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) There is existing public need for the proposed service of the Applicant;

(2) The Applicant is fit, willing, and able to provide the service requested; and

(3) The application is justified by the public convenience and necessity.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was deemed not to be necessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion, and so finds, that the application is proper and in the public interest and should be granted; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over routes as indicated by Exhibit A attached hereto be, and the same is hereby, granted.

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

CASE NO. MCS950069
JUNE 9, 1995

APPLICATION OF
CLIFTON D. MARTIN, d/b/a MARTIN TRANSIT

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 26, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the County of Campbell, as well as the City of Lynchburg, Virginia to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Thomas L. Phillips, Jr., Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants, and no interveners appeared or participated in the proceeding.

At the conclusion of the hearing, the Hearing Examiner announced his findings from the bench and advised counsel that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen (15) day comment period was deemed not to be necessary.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the Application, the Hearing Examiner's Report and the transcript, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Clifton D. Martin, d/b/a Martin Transit is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the County of Campbell, as well as the City of Lynchburg, Virginia to all points within the Commonwealth of Virginia.

CASE NO. MCS950070
JUNE 15, 1995

APPLICATION OF
RECREATIONAL CONCEPTS, INC.

For a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on May 30, 1995, to receive evidence on this application for a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat. Applicant seeks authority to provide service as shown on Appendix A attached hereto.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. F. Sullivan Callahan, Esquire, appeared as counsel for Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. No Protestants, and no interveners appeared or participated in the hearing.

At the conclusion of the hearing, the Hearing Examiner announced her findings from the bench and advised counsel of record that she would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report, and the customary fifteen day (15) comment period was deemed unnecessary.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a sight-seeing and special or charter party carrier by boat; and

(2) The application is warranted by the public convenience and necessity.

UPON CONSIDERATION of the application, the Hearing Examiner's Report, and the transcript, the Commission is of the opinion and finds that the application is justified by public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Recreational Concepts, Inc. is granted a certificate of public convenience and necessity as a sight-seeing and special or charter party carrier by boat as shown on Appendix A attached hereto.

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

CASE NO. MCS950073
JUNE 23, 1995

APPLICATION OF
BUDDY'S RESTAURANT AND LOUNGE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Buddy's Restaurant and Lounge, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 4, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 22, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 4, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950074
JUNE 21, 1995

APPLICATION OF
UNIVERSITY LIMOUSINE OF CHARLOTTESVILLE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that University Limousine of Charlottesville, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 10, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 20, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 10, 1995; that no request for hearing was made, however, a written comment requesting clarification of the Applicant's identity was filed and successfully addressed by Staff;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950075
JUNE 23, 1995

APPLICATION OF
ALL OCCASIONS LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that All Occasions Limousine, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 10, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 20, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 10, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950076
JUNE 23, 1995

APPLICATION OF
RICHARD D. ARTUTIS

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Richard D. Artutis ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 10, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 20, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 10, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950079
JUNE 27, 1995

APPLICATION OF
DAFRE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Dafre, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 10, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 20, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 10, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950081
JUNE 23, 1995

APPLICATION OF
EAGLE AIRPORT EXPRESS, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Eagle Airport Express, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 10, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 20, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 10, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950082
JUNE 21, 1995

APPLICATION OF
UNIVERSITY LIMOUSINE OF CHARLOTTESVILLE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that University Limousine of Charlottesville, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 10, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 20, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 10, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as an executive sedan carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as an executive sedan carrier be, and the same is hereby, granted, authorizing Applicant to transport passengers by executive sedan between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950085
JUNE 23, 1995

APPLICATION OF
PRO, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Pro, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 22, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 22, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 22, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950087
JUNE 23, 1995

APPLICATION OF
BARRATS, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Barrats, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 23, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 22, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 23, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

CASE NO. MCS950089
JUNE 23, 1995

APPLICATION OF
ALLURE LIMOUSINE SERVICES, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Allure Limousine Services, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 22, 1995, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before June 22, 1995; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 22, 1995; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; and

(2) That the certificate described in paragraph (1) above be issued to the Applicant upon satisfaction of all requirements for operation set by law and the Rules and Regulations of this Commission.

DIVISION OF PUBLIC UTILITY ACCOUNTING

CASE NO. PUA940004
FEBRUARY 6, 1995

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority for a billing agreement with an affiliate

ORDER GRANTING AUTHORITY

The Chesapeake and Potomac Telephone Company of Virginia ("C&P," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority for a billing agreement (the "Billing Agreement") with Bell Atlantic Network Services, Inc. ("NSI," "Affiliate") under which NSI will pay C&P for employee expenses associated with installation, engineering, and repair of equipment for a technical trial of Asymmetrical Digital Subscriber Line ("ADSL") technology.

Company represents that since August 1992, C&P has been providing engineering, installation, and repair services associated with the trial of ADSL technology. Since billings to Affiliate have been under the amount previously authorized by the Commission, or $250,000, C&P has not previously sought Commission approval for the Billing Agreement (R6455). However, in October 1993, the video trial was expanded from thirty (30) customers to three hundred (300) customers. Company now estimates that it will bill NSI around $800,000 in 1993. Therefore, Company is now seeking Commission approval for the Billing Agreement.

The ADSL technology that is being tested during the trial permits compressed video signals to be transmitted over existing copper loop facilities by installing equipment at both ends of these loops to enhance loop capabilities. This technology is capable of delivering video on demand services over existing loop facilities. ADSL includes the capability to transmit compressed video programming on a non-discriminatory common carrier basis and a switching capability that will permit consumers to access video programming from multiple providers. ADSL technology can be used to deliver many of the benefits of video dial tone to consumers in areas where fiber facilities have not yet been deployed.

C&P states that the participants in the trials are employees of C&P or other Bell Atlantic Companies. The trial is being conducted to ensure that ADSL functions under real world conditions before it is used to provide service to the general public. The trial participants are not charged for their participation in the trial. The costs of the technical trial will be retained by NSI and accounted for so that these costs will be borne by Bell Atlantic stockholders rather than ratepayers of Bell Atlantic- owned Operating Telephone Companies.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that the above-described arrangement would be in the public interest and should be approved. The Commission is of the further opinion, however, that to ensure that Applicant does not provide a competitive advantage to its non-regulated affiliates through its affiliate agreements, Company must show in future affiliate applications that Applicant is charging such affiliates the greater of fully distributed cost or market rate for services provided. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, The Chesapeake and Potomac Telephone Company of Virginia is hereby authorized to participate in the above-described arrangement associated with the trial of ADSL technology;

2) That should any terms and conditions of the arrangement change from those described 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 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;

6) That future applications requesting approval of agreements with non-regulated affiliates shall show that Applicant is charging the greater of fully distributed cost or the market rate for services provided; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940014
FEBRUARY 24, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

For approval of service agreement

ORDER GRANTING APPROVAL

The Potomac Edison Company ("PE," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for approval to enter into a Service Agreement with its affiliate, Allegheny Power Service Corporation ("APSC," "Affiliate") to allow APSC to provide certain services to Company. As stated in the application, APSC currently provides certain centralized engineering, financial, and administrative services to PE, Monongahela Power Company, and West Penn Power Company, affiliates of PE. Company represents that these services, which would otherwise have to be performed individually by each company, are able to be done more cost efficiently for the three (3) companies together. These services have been provided to PE by Affiliate and its corporate predecessors pursuant to a letter agreement dated November 22, 1963, and approved by the Commission by Order dated December 10, 1963, in Case No. 16676.

Company states in its application that, in order to update minor changes in the services provided by Affiliate that have occurred over the years, PE and APSC believe it is appropriate to replace the letter agreement dated November 22, 1963, with a new Service Agreement (the "Service Agreement"). The Service Agreement was filed with the Securities and Exchange Commission (the "SEC") on December 8, 1993. The Service Agreement includes changes in methods of allocating costs of services provided to one or more affiliates and expansion of Bulk Power Supply and Centralized services. No return component is included in the costs charged to PE. The Service Agreement may be terminated upon sixty (60) days prior notice by either party.

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 Service 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, The Potomac Edison Company is hereby granted approval of the Service Agreement with Allegheny Power Service Corporation as described herein;

2) That should any terms and conditions of the Service Agreement change from those contained in the Service Agreement approved herein, including changes in methods of charging or allocating costs, Commission approval shall be required for such changes;

3) That the approval granted herein shall not be deemed to include the recovery of any costs or charges in connection with the Service Agreement for ratemaking purposes;

4) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940023
NOVEMBER 1, 1995

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of agreement to provide telemarketing services for affiliates

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 of a proposed Agreement for the Provision of Telemarketing Services (the "Agreement") with two (2) of its affiliates, UTLD, Inc. ("UTLD") and Central Telephone Company of Virginia ("Central"), (collectively referred to as "Affiliates"), pursuant to which United will act as agent in the telemarketing and sale of Affiliates' services. UTLD resells telecommunications services to the public. Central provides local exchange telephone service to the public. United currently telemarkets Central's custom calling services as authorized by the Commission in Case No. PUA930021 by Order dated December 10, 1993. United currently provides management services to UTLD pursuant to Commission Order Granting Authority dated January 27, 1988, in Case No. PUA870017.

Under the proposed Agreement, the telemarketing division of United will provide centralized telemarketing services for UTLD and Central. Such services will include the sale of products and services offered by Central and UTLD. Under the Agreement, United will telemarket Affiliates' products and services to existing and potential customers in the various areas of Virginia served by Affiliates. The objective of United's efforts will be to obtain the customer's verbal authorization to purchase one (1) or more of Affiliates' products and services while properly representing to the customer the functionality and prices of the services.

According to the Agreement, Affiliates will pay a monthly compensation to United for the services performed. Such compensation will be equal to the Total Number of Outbound Telemarketing Hours performed by United during the preceding month, multiplied by the relevant price per telemarketing hour for each category of service. For Inbound services, the monthly compensation will be equal to the Total Number of Inbound Calls received during the preceding month multiplied by the relevant price per call. Company represents that the relevant price per telemarketing hour or per call will be based on the market price for such services and will cover Company's incremental cost of providing the services. Company states that Affiliates will be able to utilize the existing resources of United's in-place telemarketing department and will obtain a measure of quality not available from outside parties. In addition, it is stated, they will avoid unnecessary duplication of costs.

Under the Agreement, the first thirty (30) days that services are rendered will be considered a trial period, and either party may elect to terminate the Agreement at the end of the trial period. After the trial period, the Agreement will continue thereafter for a period of one (1) year. At the expiration of the one (1)-year term, any renewals or extensions of the Agreement must be evidenced by a written instrument signed by both parties.

NOW THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Agreement would be in the public interest and should be approved. However, the Commission is concerned that any loss associated with the difference in Company's fully distributed cost and market rate be absorbed by the nonregulated business rather than by the ratepayers. Therefore, it is felt that Company should be required to meet certain reporting requirements to allow Staff to better review such costs and ensure that the Agreement continues to be in the public interest. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, United Telephone-Southeast, Inc. is hereby granted approval of the Agreement for the Provision of Telemarketing Services with UTLD, Inc. and Central Telephone Company of Virginia as described herein;

2) That such approval shall be effective from the date of this Order for the thirty (30)-day trial period and the subsequent one (1)-year term as specified in the application;

3) That any changes in the Agreement from those contained herein shall require Commission approval;

4) That any renewals or extensions of the Agreement beyond the initial one (1)-year term shall require Commission approval;

5) That the approval granted herein shall have no ratemaking implications;

6) That any loss associated with the difference in Company's fully distributed cost and the market rate charged UTLD and Central will be absorbed by the non-regulated business and not by the ratepayers;

7) That the approval granted herein shall not preclude the Commission from exercising the provisions of Virginia Code §§ 56-78 and 56-80 hereafter;

8) That 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 Virginia Code § 56-79;

9) That the authority granted herein shall supersede the authority granted in Commission Order dated December 29, 1994, extending the authority originally granted by Commission Order dated December 10, 1993, in Case No. PUA930021 and that the authority granted in Case No. PUA930021 is hereby vacated;

10) That Applicant shall file a Report with the Director of Public Utility Accounting on a quarterly basis beginning December 29, 1995, and continuing each quarter thereafter during the one (1)-year term as specified herein, such report to include the amount billed by Applicant for provision of services under the Agreement, the amount expensed related thereto, the amount of losses absorbed by the nonregulated business as a result of the difference in the market rate charged UTLD and Central and Applicant's fully distributed cost as well as the accounts charged, and any other information the Commission's Staff may request; and

11) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940026
FEBRUARY 17, 1995

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to obtain administrator processor network services from affiliate

ORDER GRANTING AUTHORITY

Central Telephone Company of Virginia ("Centel-VA", "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into an Agreement for the Provision of MOSCOM Administrator Processor Function (the "Agreement") with Central Telephone Company, North Carolina Division ("Centel-NC", "Affiliate") under which Centel-NC will provide administrator processor ("AP") services to message processors owned by Centel- VA in order for Centel-VA to provide station message detail recording ("SMDR").

Company states in its application that SMDR is a central office based service which can be provided to Centrex, Key, and PBX customers. Centel-VA represents that it currently does not have equipment which can provide AP services. Affiliate currently owns equipment which will enable it to furnish administrative processor services to other telephone company affiliates in the Mid-Atlantic region (Virginia, North Carolina, South Carolina, and Tennessee), including Centel-VA. Company represents that by using the equipment owned by Affiliate, Centel-VA will obtain the ability to offer additional service capabilities without the need to bear the entire additional investment. Company further states that this will result in more efficient provisioning of the service at a lower cost.

Under the Agreement, Centel-VA will pay a monthly charge to Affiliate based on the number of SMDR-equipped access lines which are furnished AP functions at the rate $15.22 per SMDR-equipped access line per month. Company states that the rate is based on fully distributed costing methodology. The Agreement is for a one (1)-year term with automatic one (1)-year renewals. Either party may terminate the Agreement upon one hundred twenty (120) days written notice following the first 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 arrangement between Centel-VA and Centel-NC 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, Central Telephone Company of Virginia is hereby authorized to enter into the Agreement for the Provision of MOSCOM Administrator Processor Function with Central Telephone Company, North Carolina Division under the terms and conditions as described herein;

2) That should any terms and conditions of the Agreement change from those described herein, Commission approval shall be required for such changes;

3) That 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) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56- 80 of the Code of Virginia hereafter;

5) That the Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by this Commission, 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. PUA940027
MARCH 3, 1995

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For authority to obtain administrator processor network services from affiliate

ORDER GRANTING AUTHORITY

United Telephone-Southeast, Inc. ("United", "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into an Agreement for the Provision of MOSCOM Administrator Processor Function (the "Agreement") with Central Telephone Company, North Carolina Division ("Centel-NC", "Affiliate") under which Centel-NC will provide administrator processor ("AP") services to message processors owned by United in order for United to provide station message detail recording ("SMDR").

Company states in its application that SMDR is a central office based service which can be provided to Centrex, Key, and PBX customers. United represents that it currently does not have equipment which can provide AP services. Affiliate currently owns equipment which will enable it to furnish administrative processor services to other telephone company affiliates in the Mid-Atlantic region (Virginia, North Carolina, South Carolina, and Tennessee), including United. Company represents that by using the equipment owned by Affiliate, United will obtain the ability to offer additional service capabilities without the need to bear the entire additional investment. Company further states that this will result in more efficient provisioning of the service at a lower cost.

Under the Agreement, United will pay a monthly charge to Affiliate based on the number of SMDR- equipped access lines which are furnished AP functions at the rate of $15.22 per SMDR-equipped access line per month. Company states that the rate is based on fully distributed costing methodology. The Agreement is for a one (1)-year term with automatic one (1)-year renewals. Either party may terminate the Agreement upon one hundred twenty (120) days written notice following the first 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 arrangement between United and Centel-NC 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, United Telephone-Southeast, Inc. is hereby authorized to enter into the Agreement for the Provision of MOSCOM Administrator Processor Function with Central Telephone Company, North Carolina Division under the terms and conditions as described herein;

2) That should any terms and conditions of the Agreement change from those described herein, Commission approval shall be required for such changes;

3) That 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) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by this Commission, 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. PUA940033
JUNE 8, 1995

APPLICATION OF
BRANDI WINE WATER WORKS, LTD.

For authority to purchase assets of Five Lakes Subdivision

ORDER GRANTING AUTHORITY

Brandi Wine Water Works, Ltd. ("Brandi Wine," "Company," "Applicant") has filed an application with the Commission under the Utility Transfers Act requesting approval to purchase the Five Lakes Water System (the "Water System") from Oak Hill Farms, Inc. for $47,500.00. Company states that all repairs necessary to provide water flow will be made prior to takeover and that there does not appear to be any need to increase rates. Company received its Certificate of Public Convenience and Necessity on May 25, 1995.

In its application, Brandi Wine represents that the Five Lakes Subdivision consists of seventy-nine (79) residential and one (1) commercial (Brookwood Golf Course) connection. The Water System is being sold because Mr. John Bobby, the owner of Oak Hill Farms, Inc. has retired and moved to Florida. Company states that New Kent County, the county in which the Water System is located, has no objection to Brandi Wine's purchase of the Water 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 above-described transfer of utility assets would not impair or jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Applicant is hereby authorized purchase the above- described Water System from Oak Hill Farms, Inc. for $47,500.00 as described in the application;

2) That, on or before July 31, 1995, Applicant shall file a Report of the Action taken pursuant to the authority granted herein, such Report to include the accounting entries reflecting the purchase; and

3) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA940035
MARCH 16, 1995

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of a service agreement with Sprint/United Management Company, an affiliate

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Centel-VA," Company," "Applicant") has filed an application with the Commission under the Public Utility Affiliates Act requesting approval of a proposed Service Agreement (the "Service Agreement") with Sprint/United Management Company ("Management Company," "Affiliate") pursuant to which Management Company will perform certain management, information, and business operation

and support functions for Centel-VA. Management Company's headquarters are in Westwood, Kansas, and serves as a management company for Sprint's telephone companies operating throughout the United States. A similar service agreement between Centel-VA and Sprint Mid-Atlantic Telecom, Inc. ("SMAT") was approved by the Commission by Order dated June 24, 1994, in Case No. PUA940002. SMAT is an affiliate of Centel-VA which serves as a regional management company for Centel-VA and five (5) other Sprint telephone companies in the Mid-Atlantic region. By Commission Order dated January 29, 1992, in Case No. PUA910027, the Commission approved a substantially identical service agreement between Management Company and Untied Telephone-Southeast, Inc.

In the application, Company states that the services to be provided to Centel-VA under the Service Agreement will be supplemental to the services provided under the service agreement with SMAT. Under the Agreement, the fee for Management Company services will be equal to the actual costs of providing the services. This is the basis for costs of services obtained under the service agreement with SMAT. The Agreement is effective from year to year beginning from its effective date and may be terminated on ninety (90) days notice.

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:

1) That, pursuant to § 56-77 of the Code of Virginia, Central Telephone Company of Virginia is hereby granted approval to enter into the Service Agreement with Sprint/United Management Company as described herein;

2) That should any of the terms and conditions of the Service Agreement change from those contained in the Agreement approved herein, Commission approval shall be required for such changes;

3) That the approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes;

4) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the 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; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940036
MAY 30, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For authority to continue to provide an increase in billing for services to affiliates

ORDER GRANTING AUTHORITY

Bell Atlantic-Virginia, Inc. ("BA-VA," "Company," "Applicant") has filed an application with the Commission under the Public Utility Affiliates Act requesting authority to continue to provide an increase in billing for services from its Facilities Maintenance Administration Center ("FMAC") located in Arlington, Virginia, to Bell Atlantic-Maryland ("BA-MD") and Bell Atlantic-Washington ("BA-DC"). Pursuant to the Agreement, BA-VA has and will continue to provide FMAC services to Bell Atlantic- Maryland and Bell Atlantic-Washington.

By Commission Order dated September 4, 1984, in Case No. PUA840005, Company was authorized to provide FMAC services to BA-MD and BA-DC. FMAC monitors and directs the repair and maintenance of digital transmission facilities in the Washington, D. C. metropolitan area.

Company states that in 1994, the FMAC replaced its Digital Facility Management System with the Network Monitoring and Analysis System. BA-VA states in its application that the new system permits the more efficient monitoring of digital circuits. As indicated in the application, the older system is still in place as an emergency backup. Company represents that, because of the increased investment associated with the installation of the new system, continuing increases in the number of digital circuits in use in the Washington, D. C. area, and shifts in the number of trouble reports and system orders worked by the FMAC for each company, the billing from BA-VA to BA-MD and BA-DC for use of the FMAC services increased from $500,952 in 1993 to $1,008,221 for 1994. BA-VA represents that Company is fully compensated for the investment and other expenses, including overhead costs and a return on investment, related to FMAC. Company further represents that the Agreement continues to be in the public interest because it allows BA-VA to receive the full use and benefit of the FMAC services while incurring only its pro rata share of the costs of its operation.

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:

1) That, pursuant to § 56-77 of the Code of Virginia, Bell Atlantic-Virginia, Inc. is hereby granted authority to provide the increased billing associated with the FMAC services in accordance with the Agreement as described herein;

2) That should there be any changes in the terms and conditions of the Agreement from those contained in the Agreement authorized herein, including changes in the basis for allocating costs of operating the FMAC, 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 this Commission;

6) That Applicant include in its Annual Report of Affiliate Transactions filed with the Commission actual annual savings derived from implementation of the Network Monitoring and Analysis System and the derivation of such savings; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940036
JUNE 20, 1995

APPLICATION OF
BELL-ATLANTIC VIRGINIA, INC.

For authority to continue to provide an increase in billing for services to affiliates

ORDER GRANTING PETITION AND AMENDING ORDER

In an order entered on May 30, 1995, the Commission approved an agreement authorizing Bell-Atlantic Virginia, Inc. ("BA-VA") to increase the billing for services provided from its Facilities Management Administration Center ("FMAC") to Bell-Atlantic Maryland, Inc. ("BA-MD"). Ordering paragraph (6) of that Order directed BA-VA to file certain information, on an annual basis, detailing the actual savings and the derivation of such savings from the approved agreement.

On June 15, 1995, BA-VA filed a petition requesting the Commission to reconsider that Order and to modify the directive relating to the provision of cost savings data. In support of its petition, BA-VA states that ordering paragraph (6) imposes a cost burden on BA-VA which will not produce meaningful results or benefit ratepayers.

NOW THE COMMISSION, having reconsidered the matter, is of the opinion that BA-VA's petition should be granted. In response to a Staff inquiry, BA-VA estimated that the new technology it will introduce under the agreement in question will save the Company $2 million over the useful life of the technology, but the assertion is apparently not verifiable without considerable cost and time. Our decision was not based on the alleged savings and our May 30, 1995 Order did not refer to them. Because the savings were not a significant factor in our decision, we can relieve BA-VA of the burden to verify the estimation. Accordingly, we will amend our May 30, 1995 Order to delete ordering paragraph (6). We will not hesitate, however, to require any information in future cases where it is required to verify assertions that are significant factors in our determination. Accordingly,

IT IS ORDERED:

(1) That BA-VA's petition be, and hereby, is granted;

(2) That our May 30, 1995 Order be and hereby is amended to delete ordering paragraph (6); and

(3) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940038
JANUARY 26, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to transfer utility assets to Southside Boys and Girls Club, Inc.

ORDER GRANTING AUTHORITY

On October 11, 1994, Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") filed an application with the Commission under the Utility Transfers Act requesting authority to transfer by Special Warranty Deed to Southside Boys and Girls Club, Inc. (the "Club") a certain piece or parcel of land situated in the City of Norfolk, Virginia, and representing a portion of Company's distribution plant (the "Property"). The Property consists of a utility regulator station containing approximately 9,450 square feet of land with above-ground utility facilities located thereon. Company states that all utility facilities will be removed from service and purged of natural gas prior to the transfer of the Property by deed and physical custody to the Club.

As stated in the application, the utility facilities removed from service will be replaced with pressure-reducing regulators located in underground vaults within an easement to be conveyed by the Club. The Property is bounded on the south ninety (90) feet by Mahone Avenue (a paper street), on the west 105 feet by Culpepper Street, and on the north and east by land of Southside Boys and Girls Club, Inc.

Company proposes to donate the Property to Southside Boys and Girls Club, Inc., a non-profit organization, for nominal consideration. In addition, the Club will convey to VNG for public utility purposes an easement ten (10) feet in width parallel with and adjoining the east line of Culpepper Street from its intersection with Berkeley Avenue to its intersection with Mahone Avenue. Company states that the book value of the Property is $5,015.00. VNG represents that the proposed transfer will neither impair nor jeopardize adequate service to the public at just and reasonable rates 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 transfer 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:

1) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Applicant is hereby authorized to transfer the Property as described herein to Southside Boys and Girls Club, Inc. for nominal consideration;

2) That the authority granted herein shall have no implications for ratemaking purposes;

3) That, on or before, March 31, 1995, 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 reflecting the transfer; and

4) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUA940039
JANUARY 24, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For amendment to authority to contract for winter peaking service with CNG Energy Services Corporation

ORDER GRANTING AUTHORITY

On October 21, 1994, Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to amend a contract currently existing between VNG and CNG Energy Services Corporation ("ESC," "Affiliate"), formerly CNG Gas Services Corporation ("Gas Services") for winter peaking service. By Order Granting Authority dated February 28, 1994, in Case No. PUA930030, the Commission approved approved a winter peaking service agreement ("Prior Agreement") between VNG and Affiliate. The letter agreement dated September 27, 1993, identified certain winter peaking services that would be provided during the 1993-94 winter period, with increased winter peaking services contemplated for the winter period 1994-95.

Company and ESC have entered into a further letter agreement (the "Agreement"), subject to Commission approval, which amends the Prior Agreement. The principal amendment to the Prior Agreement is to reduce the winter peaking service volumes for the 1994-95 winter season from 20,000 DthD daily, and 300,000 Dth seasonally, to 7,500 DthD and 112,500 Dth seasonally.

Under the Agreement, the monthly reservation charge during the 1994-95 winter season will increase over that provided for in the Prior Agreement as a result of (1) filings made by CNG Transmission Corporation, upstream transporter for ESC, with the Federal Energy Regulatory Commission ("FERC") to increase its firm service rates effective July 1, 1994, subject to refund, and (2) the reduction in the volume of peaking service requested by VNG. Company states that the reduction from 20,000 DthD in winter peaking service necessary for the 1994-95 winter heating season results from the acquisition by VNG of alternative sources and supplies of gas that were not available at the time of VNG's application in Case No. PUA930030. VNG represents in its application that if Company and Affiliate are permitted to enter into the Agreement, VNG's customers will continue to benefit during the 1994-95 winter heating season from improved reliability of supply on both a design peak day and seasonal basis at a lesser overall cost than anticipated in 1993.

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 amendment to Company's Prior Agreement will be in the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, Virginia Natural Gas, Inc. is hereby granted authority to amend its winter period peaking service agreement with ESC, as previously approved by the Commission, under the terms and conditions as described herein;

2) That the authority granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes;

3) That should any terms and conditions of the Agreement change from those described herein, Commission approval shall be required for such changes;

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 this Commission, pursuant to § 56-79 of the Code of Virginia; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940041
APRIL 10, 1995

APPLICATION OF
GTE SOUTH INCORPORATED

For a waiver and authority to amortize certain costs associated with the reacquisition of long-term debt

ORDER GRANTING AUTHORITY

GTE South Incorporated ("GTE South," "Company," "Applicant") has filed an application with the Commission requesting that the Commission grant a waiver and authority to amortize certain costs associated with the reacquisition of long-term debt. In its application, Company states that from February 1992 to July 1994, GTE South and its recently merged companies (Contel of Kentucky, Inc., Contel of Virginia, Inc., Contel of North Carolina, Inc., and Contel of South Carolina, Inc., along with GTE South, collectively referred to as the "Companies") reacquired $498,109,524 of their outstanding long-term debt. As indicated by Company, most of the reacquired debt was high coupon debt, and its reacquisition allowed the Companies to refinance it at lower interest rates prevalent during that time period at significant savings to the Companies. These debt issues had $31,264,647 of associated unamortized costs. Company requests authority to amortize the costs associated with the reacquisition of the debt.

Company states in its application that in 1988, the Federal Communications Commission (the "FCC") adopted Part 32 of its rules that gain or loss on reacquired debt:

"...(S)hall be recognized at the same time of reacquisition by credits or charges to Account 7360, Other Nonoperating Income, except that material gains or losses shall be treated as extraordinary."

Company states that under the prescribed treatment, the cost of GTE South's financings would be written off as a current expense and would not be recognized in calculating Company's cost of debt. GTE South represents that by allowing Company to amortize the call premium expenses and the cost of issuance will directly benefit Company's rate payers. Company provides the cost associated with the reacquired debt apportioned to Virginia as follows: $1,539,977 in call premiums, $216,958 in outstanding unamortized discounts, and $332,719 in outstanding unamortized issuance expenses, for a total of $2,089,654.

GTE South proposes to charge the intrastate portion of the call premium, unamortized debt issuance expense, and unamortized discount to Account 1500, Other Jurisdictional Assets-Net and credit Account 7910, Income Effect of Jurisdictional Differences-Net. Amounts recorded in Account 1500 will be amortized to Account 7910 either (1) over the life of any replacement long-term debt issue or (2) over the remaining life of the reacquired issues.

By Order dated October 18, 1994, in Case No. PUC930036, GTE South has remained under earnings based regulation, since January 1, 1995. Earnings based regulation evaluates Company's test year earnings on an intrastate tariffed services basis. Competitive services are carved out of total company amounts in order to arrive at the level to be used to test earnings. Company is allowed to earn up to a certain return on equity, anything above that level causes a refund, and anything below that level is considered acceptable.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by it Staff, is of the opinion and finds that the above-described waiver and authority should be granted. However, if and when GTE South is no longer under earnings based regulation, Company should write off any and all remaining deferred charges relating to this application. Ratemaking implications should be determined in Company's Annual Informational Filing for 1992, Case No. PUC930004. This is the first time the costs will appear in cost of service for financial purposes. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby granted a waiver and authority to amortize certain costs associated with the reacquisition of long-term debt as described herein;

2) That if and when Applicant is no longer under earnings based regulation, Applicant shall write off any and all remaining deferred charges relating to the authority granted herein;

3) That any ratemaking implications of the authority granted herein shall be determined in Applicant's 1992 Annual Informational Filing, Case No. PUC930004; and

4) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940044
MARCH 23, 1995

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For approval of the purchase of the common stock of Conowingo Power Company and related matters

ORDER GRANTING APPROVAL

On October 28, 1994, Delmarva Power and Light Company ("Delmarva," "Company," "Applicant") filed an application under the Utility Transfers Act requesting Commission approval to purchase all of the issued and outstanding common stock of Conowingo Power Company ("COPCO," "Conowingo") and related matters, including the merger of Delmarva and Conowingo, with Delmarva as the surviving corporation.

As stated in the application, Conowingo is a Maryland corporation that provides electric service to approximately 35,000 retail customers in Cecil County and Hartford County, Maryland, in an area adjacent to Delmarva's existing Delaware and Maryland service territories. According to information contained in the application, Conowingo has 51,143 shares of common stock issued and outstanding, and those shares are owned by PECO Energy Company ("PECO"). PECO is a Pennsylvania corporation headquartered in Philadelphia, Pennsylvania, that provides electric and natural gas service to customers located in southeastern Pennsylvania. PECO and another affiliated company, Susquehanna Electric Company ("Susquehanna"), currently supply over ninety per cent (90%) of COPCO's capacity and energy requirements under the so-called Tri-Partite Agreement. The Tri-Partite Agreement is a wholesale power supply arrangement reviewed and approved by the Federal Energy Regulatory Commission ("FERC").

As stated by Company, on May 24, 1994, Delmarva and PECO entered into two (2) agreements: (1) a Stock Purchase Agreement for Delmarva's purchase of the issued and outstanding shares of Conowingo's common stock for $150 million, subject to adjustment as provided in the Stock Purchase Agreement; and (2) a Power Purchase Agreement for Delmarva's purchase of capacity and energy from PECO beginning on the later of the closing on the common stock purchase (the "Closing") or February 1, 1996, and ending May 31, 2006. In addition, on May 24, 1994, Delmarva, Conowingo, PECO, and Susquehanna entered into an agreement concerning the Tri-Partite Agreement.

As represented by Delmarva, prior to the Closing, the following transfer from COPCO to PECO will take place: (1) the 500 kV Peach Bottom-Keeney transmission line and associated real property; (2) Conowingo's Elkton, Maryland service center; and (3) employees and property used to provide services to PECO customers located in York County, Pennsylvania. Company represents that none of the transfers will impair Delmarva's ability to serve existing or future customers in what is now COPCO's service territory. At the Closing, or as soon as practicable thereafter, Delmarva will merge Conowingo into itself with Delmarva becoming the surviving entity after the merger.

According to the application, if the Closing occurs prior to February 1, 1996, Delmarva will assume COPCO's rights, responsibilities, and liabilities under the Tri-Partite Agreement until February 1, 1996. At the later of the Closing or February 1, 1996, the Tri-Partite Agreement will terminate, and Delmarva will begin purchasing capacity and energy from PECO under the Power Purchase Agreement.

In addition to requesting approval of the stock purchase of Conowingo and post-closing merger of Conowingo into Delmarva, Company also requests approval of its proposed treatment of the costs associated with the Tri-Partite Agreement and Power Purchase Agreement and related sales and revenues for purposes of calculating Company's Virginia fuel factors. Company proposes that, after the Closing, the costs associated with the Tri-Partite Agreement and related sales and revenues be excluded from the calculation of Company's fuel factors. Company further proposes that, after the Closing and expiration of the Tri-Partite Agreement, the costs associated with the Power Purchase Agreement and related sales and revenues be included in the calculation of Delmarva's Virginia fuel factors. Company also requests approval of the form of Articles of Merger included with the application as complying with the requirements of Virginia law. Delmarva also requests that the Commission find, under the circumstances of this particular case, no exemption is required from the Commission's rules governing electric capacity bidding programs.

In addition to this Commission, approvals are required from FERC, the Maryland Public Service Commission, and the Delaware Public Service Commission. Delmarva represents that approvals have been received from the Maryland Public Service Commission and the Delaware Public Service Commission. Company represents that the acquisition is to be financed through a combination of debt and equity financing.

Delmarva states in its application that the proposed common stock purchase is the product of an arm's length process conducted as part of a PECO auction. As stated in the application, multiple bidders responded to PECO's late-March 1994 offering memorandum proposing the sale of COPCO's common stock and a related purchase of capacity and energy from PECO. Finalists were selected by PECO based on value offered for Conowingo's common stock, power purchase agreement prices and terms, the quality of post-sale service to COPCO customers, the proposed treatment of Conowingo's employees by purchaser, and the purchaser's ability to maintain and expand COPCO's electric distribution system. Common stock and capacity and energy proposals were negotiated by the finalists and then evaluated by PECO. Delmarva and PECO reached agreement with respect to the common stock and capacity and energy purchases, and Delmarva was selected as the successful bidder on May 24, 1994.

Company further states that the related acquisition adjustment will be recovered only from Delmarva's Maryland retail customers. Delmarva expects that the Power Purchase Agreement will produce advantages for all Company customers, including Delmarva's Virginia customers. The Power Purchase Agreement was required as part of PECO's auction process and takes effect only if the transactions contemplated by the Stock Purchase Agreement are consummated. Company states that the amount of contract capacity and reserve capacity available to Delmarva under the Power Purchase Agreement approximates the expected load (plus reserves) in the COPCO service territory. Company further advises that, due to a favorable cost of capacity and energy under the Power Purchase Agreement, its availability on a firm basis, and the high capacity factor provided in the Power Purchase Agreement, Delmarva's purchases under the Power Purchase Agreement will essentially be base-loaded. Delmarva also states that Company's costs under the Power Purchase Agreement are comparable to current market prices. Company expects that these costs will decrease over time, and, in the early term of the Power Purchase Agreement, those costs will fall below Delmarva's embedded costs.

Company indicates that, while detailed records will be maintained for allocation purposes in rate proceedings, the merger will eliminate the need to maintain separate corporate entities in Maryland, including separate ledgers, accounting statements, reports, and inter-company billings.

Delmarva represents that the merger of Delmarva and Conowingo will avoid regulation of Company under the Public Utility Holding Company Act of 1935.

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 stock acquisition of Conowingo Power Company by Delmarva Power and Light Company and subsequent merger of Conowingo Power Company into Delmarva Power and Light Company with Delmarva as the surviving corporation would neither impair nor jeopardize adequate service to the public at just and reasonable rates and should be approved. As for the proposed form of Articles of Merger submitted with the application, the Commission is of the opinion that such approval is not within the realm of this case and, therefore, should not be dealt with specifically.

Delmarva's proposed treatment of the Tri-Partite Agreement and Power Purchase Agreement for purposes of calculating Company's Virginia fuel factors should be approved for book purposes. However, such issues should be re-examined during any future base rate and fuel factor proceedings. Concerning Company's request that the Commission find that no exemption is required from the Commission's rules governing electric capacity bidding programs, it is the Commission's opinion that no exemption from the Commission's rules governing electric capacity bidding programs is required inasmuch as Delmarva does not currently have an electric capacity bidding program. Accordingly,

IT IS ORDERED:

1) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Delmarva Power and Light Company is hereby granted approval of the purchase of all of the issued and outstanding shares of Conowingo Power Company's common stock under the terms and conditions as described herein;

2) That Company file its Articles of Merger, in its final form, with the Commission at the appropriate time;

3) That Delmarva's proposed accounting treatment of the Tri-Partite Agreement and Power Purchase Agreement for purposes of calculating Company's Virginia fuel expenses is hereby approved for book purposes only and shall be considered for ratemaking purposes through the normal base rate and fuel factor proceedings;

4) That, under the circumstances of this particular case, no exemption is required for Delmarva from the Commission's rules governing electric capacity bidding programs;

5) That all authority and approvals granted herein shall be subject to the Closing of the transactions contemplated by the Stock Purchase Agreement;

6) That the authority and approvals granted herein shall have no ratemaking implications;

7) That on or before May 31, 1995, Applicant shall file a report of the action taken pursuant to the approvals granted herein, such Report to include the date of the Closing, date of merger, stock purchase price, and the accounting entries to reflect the transactions; and

8) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA940045
FEBRUARY 2, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE CENTRAL TELEPHONE COMPANY OF VIRGINIA,
Defendant

FINAL ORDER

On November 18, 1994, the Commission entered a Rule to Show Cause against the Central Telephone Company of Virginia ("Centel" or "the Company") alleging that the Company had violated § 56-77 of the Code of Virginia by failing to obtain Commission approval prior to entering into certain agreements for services and for property leases with affiliated interests. The Company was ordered to appear before the Commission to show cause why it should not be fined and assessed costs pursuant to § 56-85 of the Code of Virginia.

On January 31, 1995, Centel and the Staff of the State Corporation Commission ("Staff") filed their Stipulation stating that there were no material facts in dispute between Staff and the Company; that the Staff testimony filed January 19 and the Company testimony filed January 26, 1995, could be admitted into the record without the necessity of those witnesses appearing, being placed under oath, or being cross-examined; that the Company reimburse the Commission $5,000 as an appropriate amount for the costs of this proceeding; that a proper fine to be assessed against the Company is an amount not to exceed $45,000; and that this proceeding may be dismissed without the necessity of a hearing, any additional evidence, arguments, briefs, or any other proceedings.

The Commission finds that the Company admitted to unintentional violations of § 56-77 of the Code of Virginia that were not shown to have prejudiced or harmed its ratepayers. The Commission also finds that the Company was advised of its rights to present additional evidence and be heard, has waived its right to a hearing, and has agreed to pay a fine and be assessed costs.

Having considered the Stipulation, the pleadings, and the testimony submitted in this case, the Commission is of the opinion that this matter may be concluded upon the terms stated in the Stipulation as authorized by § 12.1-15 of the Code of Virginia. However, Centel shall be fined only $30,000 and assessed costs of only $3,000. The $30,000 fine reflects that Centel's failure to obtain approval was merely an administrative oversight, not

an egregious attempt to enrich non-regulated affiliates at the expense of Centel's monopoly ratepayers. The $3,000 costs reflect the itemized time of the Staff used in investigating the alleged violations. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the Central Telephone Company of Virginia reimburse the Virginia State Corporation Commission the amount of $3,000 as the costs of this proceeding, and the Clerk shall tax those costs pursuant to § 56-85 of the Code of Virginia;

(2) That the Central Telephone Company of Virginia pay to the Commonwealth of Virginia a fine in the amount of $30,000 in satisfaction of its liability under § 56-77 and § 56-85 of the Code of Virginia; and

(3) That the Rule to Show Cause entered herein is hereby dismissed, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUA940046
MAY 2, 1995

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to loan or advance funds to parent, Central Telephone Company

ORDER GRANTING AUTHORITY

Central Telephone Company of Virginia ("Central", "Company") has filed an application, pursuant to Virginia Code § 56-82 ("the Public Utilities Affiliates Act"), for authority to loan or advance funds to its parent, Central Telephone Company ("Centel"), from time to time during 1995, the total outstanding amount not to exceed $30,000,000 at any one time. Such advances would be on demand and would bear interest payable monthly, such interest to be determined by the Thirty (30)-Day Commercial Paper Index as published by the Federal Reserve, plus forty-five (45) basis points. Company states that it is a wholly-owned subsidiary of Centel and requests that the agreement be approved for a one-year period ending on December 31, 1995.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the above-described arrangement would not be inconsistent with the public interest and should be approved; accordingly,

IT IS ORDERED:

1) That Central Telephone Company of Virginia is hereby authorized, pursuant to Virginia Code § 56-82, to loan or advance funds from time to time to Central Telephone Company through December 31, 1995, the total outstanding amount not to exceed $30,000,000 at any one time, under the terms and conditions as described in the application;

2) That, should Company desire to continue such an arrangement beyond December 31, 1995, an application shall be filed with the Commission for subsequent approval;

3) That the authority granted herein shall not be deemed to include approval of recovery of any costs or charges for ratemaking purposes;

4) That the authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission shall maintain the authority to inspect the accounting records and books of any Company affiliate as necessary as pertains to this authority;

6) That Company shall file, on or before February 29, 1996, a report of the action taken in accordance with the authority granted herein; such report to include a schedule of funds loaned to Centel detailing the date of advance, amount, interest rate, date of repayment, and use of loan proceeds; 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; and

7) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA940047
JUNE 19, 1995

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to loan or advance funds to parent, Sprint Corporation

ORDER GRANTING AUTHORITY

Central Telephone Company of Virginia ("Central", "Company") has filed an application, pursuant to Virginia Code § 56-82 ("the Public Utilities Affiliates Act"), for authority to loan or advance funds to its parent, Sprint Corporation ("Sprint"), from time to time, the total outstanding amount not to exceed $30,000,000 at any one time. Such advances would be on demand and would bear interest payable monthly, such interest to be determined by the Thirty (30)-Day Commercial Paper Index as published by the Federal Reserve, plus forty-five (45) basis points. Company states that it is a wholly-owned subsidiary of Sprint and requests that the agreement be approved for a one-year period ending on December 31, 1995.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the above described arrangement would not be inconsistent with the public interest and should be approved; accordingly,

IT IS ORDERED:

1) That Central Telephone Company of Virginia is hereby authorized, pursuant to Virginia Code § 56-82, to loan or advance funds from time to time to Sprint Corporation, the total outstanding amount not to exceed $30,000,000 at any one time, under the terms and conditions as described in the application;

2) That, should Company desire to continue such an arrangement beyond December 31, 1995, an application shall be filed with the Commission for subsequent approval;

3) That the authority granted herein shall not be deemed to include approval of recovery of any costs or charges for ratemaking purposes;

4) That the authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission shall maintain the authority to inspect the accounting records and books of any Company affiliate as necessary as pertains to this approval purusant to § 56-79 of the Code of Virginia;

6) That Company shall file, on or before February 29, 1996, a report of the action taken in accordance with the authority granted herein; such report to include a schedule of funds loaned to Sprint detailing the date of advance, amount, interest rate, date of repayment, and use of loan proceeds; 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; and

7) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA940048
MAY 24, 1995

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For authority to loan or advance funds to parent, Sprint Corporation

ORDER GRANTING AUTHORITY

United Telephone-Southeast, Inc. ("United", "Company", "Applicant") has filed an application, pursuant to Virginia Code § 56-82 ("the Public Utilities Affiliates Act"), for authority to loan or advance funds to its parent, Sprint Corporation ("Sprint"), from time to time during 1995, the total outstanding amount not to exceed $15,000,000 at any one time. Such advances would be on demand and would bear interest payable monthly, such interest to be determined by the Thirty (30)-Day Commercial Paper Index as published by the Federal Reserve, plus forty-five (45) basis points. Company states that it is a wholly-owned subsidiary of Sprint and requests that the agreement be approved for a one (1)-year period ending on December 31, 1995.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the above-described arrangement would not be inconsistent with the public interest and should be approved; accordingly,

IT IS ORDERED:

1) That United Telephone-Southeast, Inc. is hereby authorized, pursuant to Virginia Code § 56-82, to loan or advance funds from time to time to Sprint Corporation through December 31, 1995, the total outstanding amount not to exceed $15,000,000 at any one time, under the terms and conditions as described in the application;

2) That, should Company desire to continue such an arrangement beyond December 31, 1995, an application shall be filed with the Commission for subsequent approval;

3) That the authority granted herein shall have no ratemaking implications;

4) That the authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission shall maintain the authority to inspect the accounting records and books of any Company affiliate as necessary as pertains to this authority;

6) That Company shall file, on or before February 29, 1996, a report of the action taken in accordance with the authority granted herein; such report to include a schedule of funds loaned to Sprint detailing the date of advance, amount, interest rate, date of repayment, and use of loan proceeds; 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; and

7) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA940049
MARCH 20, 1995

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to merger a subsidiary into its parent

ORDER GRANTING AUTHORITY

Appalachian Power Company ("Appalachian," "Company," "Applicant") has filed an application with the Commission under the Public Utility Affiliates Act requesting authority to merge its wholly-owned subsidiary, Kanawha Valley Power Company ("Kanawha," or "Affiliate"), into Appalachian pursuant to an Agreement and Plan of Merger (the "Merger Agreement"). Appalachian was granted authority to acquire the stock of Kanawha by Commission Order dated February 21, 1957, in Case No. 13367. The transfer took place on March 12, 1957. Appalachian represents that Kanawha owns and operates hydroelectric power facilities within West Virginia and sells all of the power it produces to Appalachian under rates set by the Federal Energy Regulatory Commission (the "FERC").

According to the Merger Agreement, Kanawha will merge with and into Appalachian, the separate corporate existence of Kanawha will cease, and Appalachian will be the continuing and surviving corporation (the "Surviving Corporation"). Each outstanding share of capital stock of Appalachian will continue to be one (1) outstanding share of stock of the Surviving Corporation and will continue to have the same rights, privileges, and preferences as before the merger, while each outstanding share of capital stock of Kanawha will be canceled and extinguished. Company states that by operation of law, as the Surviving Corporation, Appalachian will own all real estate and other property of Kanawha and will be subject to all liabilities of Kanawha. Company represents that prior to effecting the merger, the Merger Agreement must be adopted by the Boards of Directors of Kanawha and Appalachian, but does not have to be approved by the stockholders of Appalachian or Kanawha.

Appalachian states in its application that the consummation of the proposed merger is dependent upon, among other things, receiving necessary regulatory approvals from the Commission, the Securities and Exchange Commission (the "SEC"), and the Public Service Commission of West Virginia ("PSCWV"), as well as certain approvals from the FERC related to the proposed merger. Company represents that all required approvals have been or will be sought.

In its application, Company represents that the proposed merger is in the public interest and will lead to greater efficiencies for the Surviving Corporation, including the following: elimination of separate accounting for Affiliate; elimination of financial and other reports prepared for Kanawha and filed with various regulatory, tax, and governmental agencies; elimination of periodic FERC compliance audits and an annual audit by Affiliate's independent public accountants; and fewer rate proceedings because of the elimination of separate FERC rate proceedings for Kanawha. All assets transferred will be recorded at their book value at the time of merger.

Company represents that as a wholesale customer of Affiliate, Appalachian will continue to make purchases from Kanawha prior to the merger pursuant to FERC jurisdictional rates, which reflect federal income tax normalization for certain book-tax timing differences that are not subject to similar federal income tax normalization accounting in Appalachian's Virginia retail jurisdiction. Company further represents that as of June 30, 1994, the Virginia retail allocated share of the net accumulated deferred federal income tax credit balances that were associated with these timing differences was approximately $15,000. Beginning with the merger, and given the small size of the balance, Company requests authority to amortize the allocated amount over a five (5)-year period. For those book-tax timing differences and deferred investment tax credits that are currently subject to similar tax normalization in Virginia and at the FERC, Appalachian further requests authority to merge the Virginia retail allocated share of these balances on Kanawha's books, a net credit of approximately $420,000, as of June 30, 1994, into Appalachian's existing deferred federal income tax and deferred investment tax credit accounts as of the time of merger. In its application, Company also requests approval of the proposed accounting entries to reflect the merger.

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 merger of Kanawha Valley Power Company into Appalachian Power Company 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, Appalachian is hereby authorized to merge Kanawha into Appalachian under the terms and conditions as set forth in the application and the Agreement and Plan of Merger;

2) That the pro forma journal entries to reflect the merger are hereby approved;

3) That the treatment of accumulated deferred Federal income tax balances and deferred investment tax credits requested in the application is hereby authorized for book purposes only;

4) That the authority granted herein for the merger and accounting treatment as well as accounting treatment of accumulated deferred federal income tax balances and deferred investment tax credits shall have no ratemaking implications;

5) That authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That, on or before May 31, 1995, Applicant shall file a report of the action taken pursuant to the authority granted herein, such report to include the date of merger and the actual accounting entries reflecting the merger; and

7) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA940051
APRIL 3, 1995

APPLICATION OF
RESTON/LAKE ANNE AIR CONDITIONING CORPORATION

For approval of employment agreements with affiliates

ORDER GRANTING APPROVAL

Reston/Lake Anne Air Conditioning Corporation ("RELAC," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of two (2) Employment Agreements (the "Agreements), effective January 1, 1995, for the employment of Douglas A. Cobb ("Mr. Cobb") and Barbara B. Cobb ("Mrs. Cobb"), (collectively referred to as the "Employees"), to provide management, supervision, engineering, accounting, financial, and all other general labor associated with the operation of Company.

The Employees are joint owners of all of the stock of RELAC, the employer. Therefore, approval of the Agreements is required under the Public Utilities Affiliates Act. The Agreements are for a two (2)-year period beginning January 1, 1995. Salary is paid monthly, and the Agreements can be canceled with thirty (30) days notice from either party. Health insurance is provided as well as the furnishing of a vehicle for Mr. Cobb.

According to information provided by Company, Mr. Cobb is an administrator/operator familiar with an air conditioning utility, has twelve (12) years specific experience, and twenty four (24) years of general practice in the area. Mrs. Cobb has twelve (12) years experience in keeping the books for RELAC.

Company states, in its application, that the cost of Mr. Cobb's services are considerably less than comparable General Service Administration ("GSA") job descriptions in the Washington Metropolitan Area. Company further states that no other individual has experience operating an air conditioning utility and that there are no unaffiliated options to obtaining the services provided by Mr. Cobb. Company references Case No. PUE940016 where Mrs. Cobb's services were analyzed by Staff and deemed to be valued at $20,971 per annum.

According to the Agreements, Mr. Cobb's annual salary is $87,000, payable the first day of each month in twelve (12) equal installments. RELAC will provide full health insurance for Mr. Cobb and Mrs. Cobb with Kaiser Permanente, or the equivalent thereof, and will provide a pickup truck for Mr. Cobb's daily use and for the transport of Company's materials.

As indicated in the Agreements, Mr. Cobb will have the duties of normal operation of the plant, maintenance of the plant, and supervision of all contractors, employees, and any professionals employed by Company. The plant will include the total of buildings, chiller equipment, pumps, condenser inlet, distribution loop, and all ancillary equipment. Mr. Cobb also will be responsible for meter installations, maintenance and readings, delivery of bills, and day-to-day relations with customers and suppliers. Mr. Cobb will fulfill all of the necessary functions of President of Company in conjunction with the above-described duties. Company will provide all tools, supplies, and capital. RELAC also will pay all professional fees.

According to the Agreements, Mrs. Cobb's annual salary is set at $21,000 payable on the first day of each month in twelve (12)equal installments. Mrs. Cobb's duties will include maintaining the books and journals in a manner sufficient for annual preparation of taxes and records as required by the Commission and the Internal Revenue Service (the "IRS"). Company records will be turned over to a Certified Public Accountant for preparation of forms to be submitted to the IRS, the Commission, and the Commonwealth of Virginia. Mrs. Cobb will perform all billing tasks for services rendered by Company and will provide all services incident to paying RELAC's bills. Mrs. Cobb will also function as Treasurer and provide for all borrowing transactions and cash management. In connection with job functions performed by Mrs. Cobb, all of the supplies, office equipment, phone, and postage will be paid by RELAC.

Company has further indicated that Mr. Cobb originally began working for RELAC approximately twelve (12) years ago when Donatelli and Klein, the previous owners of RELAC, hired him to perform the above-described duties. According to RELAC, Mr. Cobb's starting salary was negotiated

at $72,000 in April 1982 and again in March 1993. According to information provided by Company, Mr. Cobb has continued to provide those services to Company for the same salary.

In the current application, Mr. Cobb's salary is raised to $87,000, an increase of $15,000, or twenty one per cent (21%) for a twelve (12)-year period. In support of its application, Company states that there are no comparable air conditioning utilities, and no one else who operates a similar system in the entire country. Mr. Cobb designs and fabricates major parts of the system. Company represents that it is a leader in freon control and that Mr. Cobb holds two (2) patents in this field. RELAC further represents that it is the top performer in water treatment technology and cathodic protection.

Concerning Mrs. Cobb's salary, Staff reviewed that salary in Case No. PUE940016, and recommended that the salary be reduced by $15,000, or to $20,971. This recommendation was to reflect the part-time nature of Mrs. Cobb job duties. Staff's proposal was adopted by the Hearing Examiner and by the Commission in its Final Order in Case No. PUE940016.

THE COMMISSION, upon consideration of the application, representations of Applicant, and having been advised by its Staff, is of the opinion and finds that the above-described Employment Agreements 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, Reston/Lake Anne Air Conditioning Corporation is hereby granted approval of the Employment Agreements with Douglas A. Cobb and Barbara B. Cobb as described herein effective for a two (2)-year period beginning on January 1, 1995 and ending December 31, 1996;

2) That the approval granted herein shall not be deemed to include the recovery of any costs or charges in connection with the Employment Agreements and that the burden of proving the reasonableness of the salaries paid to the Employees in any future rate proceedings shall rest with RELAC;

3) That any changes in the terms and conditions of the Employment Agreements from those contained in this application shall require Commission approval;

4) That Commission approval shall be required to extend the Employment Agreements beyond December 31, 1996;

5) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That 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; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940052
MARCH 28, 1995

APPLICATION OF
RESTON/LAKE ANNE AIR CONDITIONING CORPORATION

For approval of an affiliate agreement

ORDER GRANTING APPROVAL

Reston/Lake Anne Air Conditioning Corporation ("RELAC," "Company," "Applicant") has filed an application with the Commission for approval of an affiliate arrangement pursuant to the Public Utilities Affiliates Act. The Applicant requests authority to renew an existing property lease agreement with Douglas and Barbara Cobb, officers of the corporation and landowners, for 1995 and 1996. The terms, including the lease payments, are the same as approved in Case No. PUA910004 for 1991 and 1992 and in Case No. PUA930002 for 1993 and 1994. The proposed annual lease for 1995 and 1996 is $15,600. The property, located in Fairfax, Virginia, is used to support a pumping plant.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application would be in the public interest. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, Applicant is granted approval to renew the existing property lease agreement under the same terms and conditions and for the purposes as previously authorized in Case No. PUA910004 and Case No. PUA930002;

2) That this approval is granted through December 31, 1996;

3) That should Applicant desire to continue the property lease agreement as described herein beyond December 31, 1996, subsequent Commission approval shall be required;

4) That the approval granted herein shall not be deemed to include the recovery of any costs or charges for ratemaking purposes and that Applicant shall bear the burden of proof that such costs were fair and reasonable in any future rate proceedings;

5) That the approval granted herein does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That 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; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, closed.

CASE NO. PUA940054
MAY 10, 1995

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, 1995, 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 not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That 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) That should Company wish to continue the described arrangement after December 31, 1995, an application shall be filed with the Commission for subsequent approval;

3) That the authority granted herein shall have no ratemaking implications;

4) That the authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia;

6) That, on or before January 31, 1996, Company shall file with the Commission a report of action taken in accordance with the authority granted herein, such report to include a schedule of funds loaned to Telecommunications showing date of the note(s), amount, maturity, interest rate, and use of loan proceeds; a schedule of short-term borrowings by Company showing date, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken; and

7) That this matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA940055
MAY 5, 1995

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") and to amend paragraph eighteen (18) of the Agreement. The current agreement with CenDon was approved by the Commission in Case No. PUA880080 by Order dated January 24, 1991. The current agreement was approved for a five (5)-year period ending December 31, 1994.

In its application, Central proposes to extend the Agreement for a one (1)-year period from January 1, 1995, through December 31, 1995. In addition, Central and CenDon proposed to amend paragraph eighteen (18) of the Agreement relating to the obligations of the parties with respect to publishing directories of affiliates in the event Central or an affiliate is purchased or sold. Company represents that the extension of the Agreement would be beneficial in that Central will continue to obtain payments of 48.65% of net collected revenues and that such arrangement would 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/amendment of the current agreement with The CenDon Partnership through December 31, 1995, as described herein 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, Central Telephone Company of Virginia is hereby granted approval of the extension/amendment to its CenDon Virginia Directory Agreement as described herein;

2) That the Agreement is approved effective January 1, 1995, through December 31, 1995;

3) That the approval granted herein shall in no way be deemed to ensure recovery of any costs or charges for ratemaking purposes;

4) That any renewal of the Agreement beyond December 31, 1995, shall require Commission approval;

5) That, in the event the terms and conditions of the Agreement change from those contained herein, Commission approval shall be required for such changes;

6) That the approval granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

7) That 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) That Applicant maintain records, subject to Commission inspection and review, detailing all payments made to CenDon under the Agreement;

9) That Applicant shall file a Report of Action on or before February 29, 1996, 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; and

10) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA940056
SEPTEMBER 5, 1995

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of a warehousing and distribution agreement and purchase arrangement with North Supply Company

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Centel," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of a proposed Warehousing and Distribution Agreement (the "Agreement") between itself and North Supply Company ("North Supply") pursuant to which North Supply will perform certain warehousing and distribution functions for Centel. In addition, Centel requests approval for Centel to purchase telecommunications material, supplies, and equipment from North Supply (the "Purchasing Arrangement").

North Supply is a wholly-owned subsidiary of Sprint Corporation ("Sprint") and thus is an affiliate of Centel. North Supply's headquarters are located at 600 Industrial Parkway, Industrial Airport, Kansas, and is a wholesale distributor of telephone and other equipment nationwide, including other Sprint telephone companies operating in the states of Virginia, North Carolina, South Carolina, and Tennessee.

Pursuant to the Agreement, North Supply will store and warehouse at one of North Supply's distribution centers telecommunications equipment and supplies owned by Centel. In addition, North Supply will maintain an inventory of telephone equipment and supplies in amounts and brands specified by Centel. North Supply will distribute the supplies and equipment pursuant to orders placed by Company. North Supply will charge Company based on hours of work performed, which charge will be the fully distributed cost as determined under Federal Communication Commission ("FCC") rules in FCC Docket No. 86-111.

Company states in its application that the realignment of warehouse and distribution functions may impact a maximum of twelve (12) employees located in Virginia by year end 1995. Company states that by consolidating warehouse and distribution functions throughout Sprint's telephone service areas, unneeded duplicate functions and facilities will be eliminated, and reduced inventory levels will be needed, which should benefit ratepayers.

The Agreement is initially effective for five (5) years beginning with its effective date and renews annually thereafter. It may be terminated on ninety (90) days notice prior to the expiration of the initial term or any renewal term.

Regarding the Purchasing Arrangement, Company states that Centel is required, in the performance of its obligations as a public service company, to construct telecommunications facilities and maintain supplies of telecommunications equipment. In the past, this has included poles, tools, cable, conduit, inventory, telephones, and the like. Prior to Centel becoming a subsidiary of Sprint, Company made purchases from North Supply. Centel seeks approval to continue this practice of purchasing material, supplies, and equipment from North Supply when needed to continue its day to day provisioning of telecommunications services. Similar authority was granted to United Telephone-Southeast, Inc. by Commission Order dated February 3, 1992, in Case No. PUA910028. Company represents that purchases will be made at prices no greater than similar product group items sold to non-affiliate customers under like conditions and volumes. Company represents that the proposed Agreement and Purchasing Arrangement will benefit ratepayers in that they will result in reduced operating costs, efficiencies, and economies of scale.

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 Warehousing and Distribution Agreement and Purchasing Arrangement 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, Central Telephone Company of Virginia is hereby granted approval of the Warehousing and Distribution Agreement and the Purchasing Arrangement under the terms and conditions and for the purposes as described herein;

2) That should there be any changes in the Agreement and Purchasing Arrangement from those described herein, Commission approval shall be required for such changes;

3) That Commission approval shall be required for any renewals of the Agreement beyond the initial five (5)-year period;

4) That the approval granted herein shall not be deemed to include the recovery of any costs or charges in connection with the approval granted for ratemaking purposes;

5) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That the Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940057
SEPTEMBER 27, 1995

APPLICATION OF
GTE SOUTH INCORPORATED

For approval of affiliate agreement with GTE Telecom Incorporated

ORDER GRANTING APPROVAL

GTE South Incorporated ("GTE South," "Company," "Applicant") has filed an application with the Commission under the Public Utility Affiliates Act requesting approval of an agreement (the "Agreement") with its affiliate, GTE Telecom Incorporated ("GTE Telecom," "Affiliate") and the GTE Telecom Operating Companies for the provision of official company traffic. GTE Telecom is a Delaware corporation which provides telecommunication system integration functions, network communications solutions, and management services. It also furnishes design engineering, procurement, installation, maintenance, operation, and management services for customers who own and manage their own private telecommunications networks.

Company states in its application that, as an essential part of operating its internal administrative business function, Company has a high demand for internal telecommunications services. The internal communications needs of a local exchange carrier, such as GTE South, have been traditionally referred to as official company traffic. On an annual basis, GTE South incurs approximately $320,000.00 in interlata private line official company communication expenses that are applicable to the National Transport Network (the "NTN"). In order to gain efficiencies and synergies, Company has entered into the Agreement with other GTE Telephone Operating Companies (the "GTOCs") and GTE Telecom to obtain telecommunications services on dedicated digital telecommunications facilities.

GTE South states, in its application, that in the past the various GTOCs obtained company traffic services on an individual company basis. The NTN replaces this approach and affords Company the opportunity to obtain increased services and quality at the most attractive cost. The NTN is a DS-3 network, and access to the network is provided through GTE-owned digital cross-connect systems. The NTN will be provided by AT&T Communications and will be managed by GTE Telecom.

Company represents that the NTN will serve as the backbone for Company's official interlata private line network in those instances where it is the most efficient and least cost provider. Company represents that a procedure has been instituted to ensure that the NTN will only be used when its prices are less than or equal to the best available price available in the open market except in those instances where carrier diversification is required. When GTE South desires additions to its existing capabilities and capacity, price quotes will be obtained from other carriers as well as GTE Telecom. GTE Telecom will only be used if its price is less than or equal to the price quoted by the lowest competing carrier.

The Agreement is dated September 1, 1993, and shall remain in force until December 31, 1996, or as long as any Telecommunication Service Order ("TSO") entered into pursuant to the Agreement remains in effect, unless sooner terminated in accordance with the applicable provisions of the Agreement. GTE South has determined that is has used a small amount of NTN services and GTE Telecom has billed, and Company has paid a monthly amount of $259 each month since April, 1994. Company, therefore, requests approval of the Agreement retroactive back to April 1, 1994.

THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described 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, GTE South is hereby granted approval to enter into the Agreement as described herein retroactive to April 1, 1994, through December 31, 1996;

2) That should Applicant desire to continue the Agreement beyond December 31, 1996, Commission approval shall be required;

3) That should any terms and conditions of the Agreement change from those contained herein, Commission approval shall be required for such changes;

4) That the approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval for ratemaking purposes;

5) That the approval granted herein shall not preclude the Commission from exercising the provisions of Sections §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That 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) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940058
SEPTEMBER 11, 1995

APPLICATION OF
BATTERY PARK ARTESIAN WATER COMPANY

For authority to convey assets

ORDER GRANTING AUTHORITY

Battery Park Artesian Water Company ("Battery Park," "Company," "Applicant") has filed an application with the Commission under the Utility Transfers Act requesting authority to convey to the Public Service Authority of Isle of Wight County, Virginia ("Isle of Wight") certain assets in that county which are used in the distribution of water for residential purposes. Battery Park desires to convey to the Public Service Authority of Isle of Wight all of its assets including the water well lot, easements, and distribution facilities (the "Assets") for $24,000 to be paid in full at the time of purchase.

Company states that the assets to be conveyed to Isle of Wight have for many years been used by Company to supply residential water service to seventy-five (75) residents in Battery Park which is located in Isle of Wight County, Virginia. It is anticipated that Isle of Wight will continue to provide water service to the customers now being served by Company under terms and conditions that it will from time to time impose. Company states that the original cost of the Assets is unknown.

In its application, Company states that it believes Isle of Wight to be a fit and proper entity to provide the customers of Battery Park with continued water service at a just and reasonable rate. Isle of Wight has a history of providing water service for other customers, and the expansion of such services is in the short and long range plans of that county . The Company also states that the reason for the proposed transfer is that twelve (12) stockholders of Company want to divest themselves of the Assets.

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:

1) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Applicant is hereby authorized to transfer to Isle of Wight the Assets as described herein at the price of $24,000;

2) That, on or before November 30, 1995, Applicant shall file a report of the action taken pursuant to the authority granted herein, such Report to include the sales price of the Assets transferred, date of transfer, and the accounting entries reflecting the transfer; and

3) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA940059
JUNE 2, 1995

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of an operator services agreement with its affiliate, Carolina Telephone and Telegraph Company

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Centel-VA," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting Commission approval of a proposed Agreement for the Provision of Operator Services (the "Agreement") with Carolina Telephone and Telegraph Company ("CT&T," "Affiliate") pursuant to which Carolina Telephone and Telegraph Company will provide certain operator service functions for Centel-VA. In its application, Company states that Centel-VA has for many years and currently provides 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, in Case No. PUA870086.

According to information contained in the application, Centel-NC wants to combine its operator service 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 further states that CT&T also has state of the art operator provisioning equipment. Company represents that these benefits would accrue to Centel-VA's customers. For these reasons, Company proposes to combine its operator service function with Affiliate effective January 31, 1995, and Company requests approval of the Agreement retroactive to January 31, 1995. In Case No. PUA910022, the Commission approved a similar agreement between United Telephone-Southeast, Inc. and CT&T by Order dated November 1, 1991.

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:

1) That, 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 and Telegraph Company under the terms and conditions and for the purposes as described herein;

2) That such approval is granted retroactive to January 31, 1995, and effective for a one (1)-year period;

3) That any renewals of the Agreement beyond the one (1)- year period shall require Commission approval;

4) That 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;

5) That 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;

6) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

7) That 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; and

8) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940061
JUNE 8, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For authority to provide certain data center services to Bell Atlantic Network Services, Inc.

ORDER GRANTING AUTHORITY

Bell Atlantic-Virginia, Inc. ("BA-VA," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to enter into an agreement (the "Agreement") to provide certain data center services to Bell Atlantic Network Services, Inc. ("NSI," "Affiliate"). Pursuant to the Agreement, Company provides these data center services to NSI for its use in managing directory contracts for the seven (7) Bell Atlantic telephone companies. Company states that the amounts billed by BA-VA to NSI for operation of the Bell Atlantic Contract ("BEACON") system since 1988 were properly reported to the Commission in Company's annual affiliated interest filing. However, prior Commission approval of the billing was mistakenly not sought.

Company states in its application that, since October 1988, BA-VA has provided some or all of the data center resources necessary to operate the BEACON system for administering and tracking white and Yellow Pages directory contracts. The BEACON system mechanized a formerly paper and labor intensive process. In addition, the BEACON system also controls the insertion of white and Yellow Pages advertising into the directories through an interface with the directory photocomposition system.

In its application, Company further states that in its initial quarter of operation, the BEACON system in Richmond served the four (4) former C&P companies and Bell Atlantic-New Jersey. Beginning in 1989, the BEACON system in Richmond served all seven (7) Bell Atlantic telephone companies. In 1990, a ~~second~~ BEACON system in Silver Spring, Maryland, was added to provide a second site for disaster recovery purposes and additional processing capability. The charges incurred by BA-VA for operating the BEACON system have been billed to NSI for allocation to the benefiting entities.

Since 1988, the billing from Company to Affiliate for the operation of the BEACON system has been as follows:

1988 (4Q only)	$ 355,852
1989	1,670,849
1990	238,854
1991	456,137
1992	1,162,398
1993	1,766,853
1994	3,383,190

Company requests authority for past and present years in which the billing exceeded $250,000 and for the continuing provision of these data center services in the future. Company represents that the persons responsible for tracking affiliate transactions mistakenly thought the required authority was covered under another Commission Order. Company further represents that once the error was discovered, an application for authority was promptly filed. Company states that it has been compensated in a timely manner for the data center services it has provided to NSI.

BA-VA represents that it was, and is, in the interest of Company to introduce a shared BEACON system to mechanize a paper and labor intensive process and to increase the accuracy of the ads in both white and Yellow Pages directories. Company states that the sharing of this computer hardware and software resource was, and continues to be, in the interest of BA-VA because BA-VA gets the full use and benefit of the BEACON system to manage the contracts for its white and Yellow Pages directories while only incurring approximately sixteen per cent (16%) of the costs of its operation.

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 for the provision of certain data center services to NSI is in the public interest and should be approved retroactive to October 1, 1988. However, inasmuch as the determination was made that this Agreement required Commission approval after Staff review of Company's 1993 Annual Report of Affiliate Transactions discovered an oversight on Company's part, the Commission reminds Company of its responsibility to take the necessary steps to ensure that all transactions with affiliates receive prior Commission approval in accordance with § 56-77 of the Code of Virginia. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, Bell Atlantic-Virginia, Inc. is hereby granted authority retroactive to October 1, 1988, to provide the data center services to NSI in accordance with the Agreement as described herein;

2) That should any terms and conditions of the Agreement change from those described herein, Commission approval shall be required for such changes;

3) That Company take the necessary steps to ensure that requests for approval of all future arrangements or agreements with affiliates are filed in a timely manner;

4) That the authority granted herein shall have no ratemaking implications;

5) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That the Commission reserves the 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; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940062
JUNE 15, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For authority to continue to provide warehousing services to Bell Atlantic-Maryland

ORDER GRANTING AUTHORITY

Bell Atlantic-Virginia ("BA-VA," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to continue to provide warehousing services from Company's Ashland warehouse to Bell Atlantic-Maryland ("BA-MD," "Affiliate"). Pursuant to the Agreement, BA-VA has and will continue to provide warehousing services to BA-MD and Bell Atlantic-Washington ("BA-DC"). Company states that the amounts billed by BA-VA to BA-MD and BA-DC for warehousing services since 1985 were properly reported to the Commission in Company's annual affiliated interest filing. Company represents that prior Commission approval was mistakenly not sought.

As stated in its application, Company has provided warehousing services from its Ashland warehouse to BA-MD and BA-DC since 1985. Company states that materials required to install, repair, and maintain telecommunications networks and other miscellaneous materials which are kept in stock (the "stock material") are delivered to the Ashland warehouse from various vendors. The stock material is entered into an inventory database and then warehoused until an item of the stock material is requested via a mechanized ordering system from a field location in Virginia, Maryland, or the District of Columbia. At this time, the stock material ordered by the field is packaged and shipped to the requesting field location.

Company states that expenses incurred by BA-VA in providing the warehousing service include carrying charges on investment in buildings, work equipment, furniture, computers, office equipment, and official communications equipment. These expenses are allocated to the benefiting entities based on the cost of the materials ordered by each company from the Ashland warehouse.

BA-VA provides services to the other Bell Atlantic telephone companies, whether the service is provided directly or through Bell Atlantic Network Services, Inc. ("NSI"), at its fully distributed cost. In return, Company receives services from the other Bell Atlantic telephone companies, whether the services are provided directly or through NSI, at their fully distributed cost.

In its application, Company reports the billings to BA-MD under the Agreement since 1985 as follows:

1985	$185,602
1986	236,592
1987	268,198
1988	243,324
1989	206,826
1990	298,394
1991	305,580
1992	432,052
1993	365,706
1994	522,811

Company requests approval for the past and present years in which billings exceeded $250,000 and for the continuing provision of these warehousing services in the future. BA-VA states that it did not file the application as required due to its mistaken belief that the warehousing of stock material had been approved by the Commission together with its approval of the regional procurement of stock material in its Order in Case No. PUA850022. Company states that upon closer examination, it became apparent that the expenses associated with the warehousing function were not included in the expenses presented to the Commission for approval. Company represents that once the discovery was made, the application was prepared and filed. Company further states that nonetheless, BA-VA has been fully compensated in a timely manner for the warehousing services it has provided to BA-MD and BA-DC. BA-VA states that the sharing of expensive resources such as the Ashland warehouse and its associated equipment was and continues to be in the public interest because BA-VA gets the full use and benefit of the Ashland warehouse while only incurring a proportionate share of the costs of its operation.

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 for the provision of warehousing services to BA-MD is in the public interest and should be approved retroactive to January 1, 1987. However, inasmuch as the determination that this Agreement required Commission approval was after Staff's review of Company's 1993 Annual Report of Affiliate Transactions, the Commission reminds Company of its responsibility to take the necessary steps to ensure that all transactions with affiliates receive prior Commission approval in accordance with § 56-77 of the Code of Virginia. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, Bell Atlantic-Virginia, Inc. is hereby granted authority retroactive to January 1, 1987, to provide warehousing services to 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 described herein, Commission approval shall be required for such changes;

3) That Company take the necessary steps to ensure that all future transactions or agreements with affiliates are filed for approval in a timely manner;

4) That the authority granted herein shall have no ratemaking implications;

5) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That the Commission reserves the 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; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940063
APRIL 10, 1995

APPLICATION OF
UNITED CITIES GAS COMPANY

For approval of revised 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 agreements between United Cities Gas Company and United Cities Gas Storage Company relating to the Illinois, Tennessee, and Kansas operations.

Company has filed for approval of the revised storage agreements pursuant to Commission Order dated January 10, 1992, in Case No. PUA910034. The changes in the Illinois, 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 said application and representations of Applicant, and having been advised by its Staff, is of the opinion that the above-described revisions will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

(1) That, pursuant to § 56-77 of the Code of Virginia, Applicant is authorized to enter into the revised Storage Agreements as described in the application;

(2) That should any changes occur in the Storage Agreements as described herein, Commission approval shall be required for such changes;

(3) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

(4) That the Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia; and

(5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940064
MAY 15, 1995

APPLICATION OF
UNITED CITIES GAS COMPANY

For approval to enter into two leases with affiliate

ORDER GRANTING APPROVAL

United Cities Gas Company ("United Cities," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to enter into two (2) leases with its affiliate, UCG Energy Corporation ("Energy," "Affiliate"). Under the leases, United Cities will lease certain premises together with the appurtenances, including the right to use, in common with others, the lobbies, elevators, and other common areas of the building of which the leased premises are a part. The space is located in Franklin Operations Building, 377 Riverside Drive, Franklin, Tennessee 37064.

The first lease provides for the lease of 17,439 square feet by United Cities in Franklin Operations Center in Franklin, Tennessee, for use by certain corporate office departments. The term of the lease is five (5) years, and the annual basic rental will be $209,268.00. On the expiration of the original term, the lease grants four (4) options of five (5) years each to renew or extend the lease for additional five (5)-year terms upon such terms and conditions to be agreed upon by United Cities and Energy. United Cities will allocate to Virginia the expenses related to the lease agreement based on the average number of customers, which Company indicates is the methodology consistently used and accepted in previous rate cases before the Commission.

The second lease provides for the lease of 9,629 square feet by United Cities for use by the Illinois/Tennessee/Missouri Division Office. The term of this lease is for five (5) years, and the annual basic rental will be $115,548.00. On the expiration of the original term, the lease grants four (4) options of five (5) years each to renew or extend the lease for additional five (5)-year terms upon such terms and conditions as agreed upon by Company and Affiliate.

United Cities states that Company moved into the current corporate office in late 1985. Company represents that the building was designed for the corporate organization as it existed at that time. According to the application, there are three (3) functions in the corporate office building now that were not part of the organizational structure in 1985. The Regulatory Affairs Group, Gas Supply and Control, and Purchasing have all been added as Corporate functions. Due to this space limitation, it was necessary to lease additional space for corporate office. The original affiliate lease was approved in Case No. PUA920017. Recently, Company discovered an error that a factor for common area was not included in the square footage. The lease now includes the calculation of the common area factor as well as an additional 870 square feet of additional space for Corporate and Technical Training. The Illinois/Tennessee/Missouri lease also reflects a correction for the common area factor as well as an increase in space needed of 1,543 square feet due to growth in that Division. Company represents that this lease has no impact on Virginia ratepayers.

Company indicates that the lease payments are very favorable to United Cities and are equal to or less than the market rental rate. In support of this representation, Company provided a copy of a Rental Market Analysis report prepared by the Stanton Group, Inc. The report provides information for comparing leasing rates, which indicates the rental charged United Cities to be equal to the current market rental rate. Company also provided a comparison of net revenue requirements for leasing versus ownership. Company's analysis shows the total revenue requirement of leasing to be $5,231,700 versus $8,620,729 for ownership. The analysis shows a net present value of leasing to be $1,876,915 versus $3,528,419 for ownership.

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 leases 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, United Cities Gas Company is granted approval to enter into the two (2) leases with UCG Energy Corporation as described herein;

2) That Commission approval shall be required for any renewal or extension of the leases beyond the initial five (5)- year period as described herein;

3) That should any terms and conditions of the leases change from those described in the application during the initial five (5)-year period, Commission approval shall be required for such changes;

4) That the approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the above-described leases for ratemaking purposes;

5) That the approval granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That 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) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940065
MAY 8, 1995

APPLICATION OF
UNITED CITIES GAS COMPANY

For approval of lease agreement with UCG Energy Corporation

ORDER GRANTING APPROVAL

United Cities Gas Company ("United Cities," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of a lease agreement with UCG Energy Corporation ("UCG," "Affiliate") for the lease of five (5) tracts of land in Franklin, Tennessee, serving as the local town center for the Town of Franklin, Tennessee. United Cities will lease certain premises together with the appurtenances, including the right to use, in common with others, the lobbies, elevators, and other common areas of the building of which the leased premises are a part.

The original lease, which was approved by the Commission in Case No. PUA900052 on February 12, 1991, was for a ten (10)-year period beginning January 1, 1989, and ending December 31, 1998. The original annual basic rental was $120,000 per year. Company is now requesting

approval to reduce the annual basic rental to $75,310 per year for the remaining portion of the lease to remain in line, and to be competitive, with the current market. Company represents that the lease has no impact on Virginia ratepayers.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described lease should not be detrimental to the public interest and should be approved. The Commission is of the further opinion, however, that any changes in the lease, including any allocations to Virginia ratepayers not approved herein, shall require Commission approval. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, United Cities Gas Company is granted approval of the lease as described herein;

2) That the approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted;

3) That any changes in the lease from those contained in this application, including any allocations to Virginia ratepayers, shall require Commission approval;

4) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the 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 hereafter; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950001
JUNE 2, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to enter into aerial patrol agreement

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 enter into an aerial patrol agreement with an affiliate, CNG Transmission Corporation ("Transmission," "Affiliate") effective January 1, 1995.

In Case No. PUA920022, by Order dated April 12, 1993, VNG was granted authority to enter into a Letter Helicopter Service Agreement with Transmission for aerial patrol service through December 31, 1993. In Case No. PUA940012, by Order dated July 22, 1994, VNG was granted authority to enter into an agreement with Affiliate for aerial patrol services from January 1, 1994, through December 31, 1994. VNG has filed a new application for authority to enter into an agreement with Transmission for Affiliate to provide aerial patrol services to Company. VNG requests authority effective January 1, 1995.

VNG submitted to three (3) separate vendors an identical request for quotation to provide aerial patrol of VNG's natural gas pipeline system. A response and proposal was received from each of the selected vendors for services consistent with VNG's request. Company states that, although the Transmission proposal is slightly more per month than the lowest bid, the services will be rendered utilizing a helicopter patrol, in contrast to the fixed wing aircraft patrol offered by the lowest bidder. Company states that the use of a helicopter allows the aerial patrol party to land on the right-of-way for further inspections, if necessary, and to intervene immediately in the event that ground operations are observed which represent imminent danger to the pipeline facilities.

Company represents that the inherent flexibility of the helicopter as opposed to fixed wing aircraft; the familiarity of Transmission personnel with the nature, location, and operation of the VNG natural gas pipeline system; and the qualifications and experience of the personnel who will be involved in performing the services are appropriate justification for choosing Affiliate to provide the necessary aerial patrol services. VNG represents that because aerial patrol services are typically performed by both helicopters and fixed wing aircraft, VNG chose to solicit bids without indicating the type of aircraft as a requirement in order to obtain the broadest response possible.

As provided by a bid comparison sheet, two (2) bids were reasonably close to each other, that of Transmission and that of a non-affiliate. Company represents that given the inherent advantages of having Company's patrols conducted by helicopter, and given the relatively small additional dollars necessary to achieve that level of service, VNG chose Transmission to provide the aerial patrol 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 aerial patrol agreement would be in the public interest and should be approved. However, to continue to ensure that the public interest is protected, the Commission is of the further opinion that such approval should be for a limited period. To further ensure that the public interest is protected, in all future applications for approval of the Agreement, Company must either specify helicopter service in its Requests for Quotation or request quotes for both fixed wing aircraft and helicopter from each vendor. If Company chooses to consider both, only vendors offering both can be considered. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, Applicant is hereby granted authority to enter into the aerial patrol agreement with Affiliate as described herein effective January 1, 1995, through December 31, 1995;

2) That should Applicant desire to continue the above- described arrangement beyond December 31, 1995, a new application for approval shall be filed with the Commission;

3) That for all such future applications, Company shall either specify helicopter service in its Requests for Quotation or request quotes on both fixed wing aircraft and helicopter;

4) That, if Company chooses to consider both fixed wing and helicopter service, only vendors offering both can be considered;

5) That the authority granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes;

6) 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;

7) 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 this Commission, pursuant to § 56-79 of the Code of Virginia;

8) That Applicant shall continue to include in its report filed with the Director of Public Utility Accounting of the Commission, pursuant to the Commission's Order Granting Authority and Amending Order in Case No. PUA920022, actual charges incurred for aerial patrol service; and

9) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950002
JULY 7, 1995

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to enter into an operating agreement with its affiliates

ORDER GRANTING AUTHORITY

GTE South Incorporated ("GTE South," "Company,") has filed an application with the Commission under the Public Utilities Affiliates Act requesting Commission approval of an Operating Agreement with various other GTE Telephone Operating Companies referred to as the "Affiliates." The Affiliates are as follows: GTE Alaska Incorporated, GTE Arkansas Incorporated, GTE California Incorporated, GTE Florida Incorporated, GTE Hawaiian Telephone Company Incorporated, GTE Midwest Incorporated, GTE North Incorporated, GTE Northwest Incorporated, GTE Southwest Incorporated, Contel of Minnesota, Inc., d/b/a GTE Minnesota, Contel of Texas, Inc., d/b/a GTE Texas, Contel of the South, Inc., d/b/a GTE Systems of the South, Contel of the West, Inc., d/b/a GTE West, and Contel of California, Inc. The GTE Telephone Operating Companies including GTE South are collectively referred to as the "GTOCs". Each of the Affiliates provides telecommunications services as public utilities in their respective certificated service areas in the states in which they do business. Each of the Affiliates is a wholly owned subsidiary of GTE Corporation. In this application, GTE South seeks approval of a new Operating Agreement. The Operating Agreement has an effective date of January 1, 1995.

In Case No. PUA880073, by Order dated July 6, 1989, the Commission approved the original operating agreement between GTE South and eight (8) other GTOCs. Subsequently, by Order dated August 21, 1991, in Case No. PUA910016, the Commission approved another operating agreement, which essentially extended the initial operating agreement to include various telephone operating subsidiaries of the Contel Corporation. The Operating Agreement proposed herein is an extension of the prior two (2) agreements. Company represents that the Operating Agreement allows Company and the Affiliates the flexibility required to operate in a more competitive and complex telecommunications environment. Company further states that the Operating Agreement will allow Company and the Affiliates to centralize operations and/or technology to provide either network or operations functions and services when such will produce economic benefits or operational efficiencies for Company and the Affiliates.

Under the Operating Agreement, the Headquarters' staff located in Irving, Texas, will continue to be employees of GTE North Incorporated (excluding Assistant Vice Presidents and above, which are employees of GTE Service Corporation). The Headquarters' staff in locations other than Irving, Texas, as well as personnel of the operating associations, will remain employees of the GTE Telephone Operating Company in whose operating territory they are located, which GTOC is referred to as the Host Company.

As under the existing agreement, the GTOCs will reimburse each other for the cost of service rendered by staff that are common to one (1) or more parties to the Operating Agreement. Expenses will be assigned to the various companies on the basis of direct assignment, usage, or on the basis of the Part 36 methodology of the Federal Communications Commission (the "FCC") Rules and Regulations (or its successor). Company indicates that, if the allocation of staff expenses by account is not covered in Part 36 or would not result in the most equitable allocation of costs, such expenses will be allocated on an equitable basis mutually acceptable to the parties. GTE South represents that the purpose of the methodology is to apportion costs in a manner that best reflects the relative utilization of the common services under the principle of cost causation. It is the intent of the Operating Agreement and of each of the parties to the Operating Agreement that payment by each party for the services rendered by any common staff will cover all of the costs incurred by each Host Company.

Consistent with the existing agreement, the Operating Agreement allows for each company to transfer and sell tangible personal property, such as furniture, fixtures, telephone equipment, office equipment, etc., when one company has an immediate need for such property and where such transfer

and sale would not impair the ability of the selling company to render service to its customers. Company states that such transfer and sale will be made in accordance with applicable statutory or regulatory requirements regarding the prior approval of property or assets.

Similar to the existing agreement, the Operating Agreement allows for the lease of tangible personal from any other company where a company has an immediate requirement for such property and the owning company's ability to render services to its customers will not be impaired. Where costs can be determined for personal property from the books of the leasing/owning company, the rental rate for the tangible personal property will be based on booked operating costs, including an appropriate factor to cover administrative costs. Company indicates that for those items of personal property which have rental rates established by arms length negotiations, as evidenced by contracts or leases with an outside vendor, the rental rate will be the same rate most recently established by such outside vendor.

The initial term of the Operating Agreement is one (1) year, with continuation on a year-to-year basis, subject to the right of any party to terminate its portion of the Operating Agreement on not less than thirty (30) days notice.

Company states that the Operating Agreement will promote the public interest by providing GTE South and the other GTOCs with the means to establish a more efficient and effective operation in order to compete in an ever changing environment.

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 Operating Agreement would be in the public interest and should be approved effective January 1, 1995. However, the Commission is of the further opinion that Applicant should make separate filings for Commission approval of the transfer and leasing of property. Applicant should file separate applications for these activities and such filings should be reviewed on a case by case basis. In addition, Applicant should file an application with the Commission for authority to allocate costs associated with centralized or shared services if costs are to be allocated in a manner other than that which is set forth in Part 36 of the FCC's Rules and Regulations. The Commission believes that these additional requirements will be in the public interest of Applicant's ratepayers. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, GTE South Incorporated is hereby authorized to enter into the Operating Agreement effective January 1, 1995, under the terms and conditions and for the purposes as described herein, provided that Applicant file applications for the transfer and leasing of property on a case by case basis prior to actually transferring or leasing equipment or property to or from any of the other affiliated companies which are parties to the Operating Agreement;

2) That the Operating Agreement approved herein shall replace the agreement approved in Case No. PUA910016;

3) That Applicant shall file for authority to allocate the common costs associated with the investment utilized to provide services to more than one company if such allocations are different from those set forth in Part 36 of the FCC's Rules and Regulations;

4) That should the Commission adopt costing methodologies differing from those set forth in Part 36, the authority granted herein for use of such method shall be considered null and void;

5) That, in the event the terms and conditions of the Operating Agreement change from those contained in the Operating Agreement as filed herein, Commission approval shall be required for such changes;

6) That the authority granted herein shall have no ratemaking implications;

7) 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;

8) 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;

9) That Applicant shall file a report with the Director of Public Utility Accounting of the Commission on an annual basis, such report to include a detailed description of the status of consolidation of centralized operations and management functions until such consolidation is complete, and an annual summation of the various services and associated costs as well as the basis for the costs charged which are provided by the GTOCs for the benefit of GTE South, along with the Virginia jurisdictional cost, such information to be reported by months;

10) That such report shall be filed with the Director of Public Utility Accounting by no later than May 1 of each year, for the preceding calendar year, the first of such reports due on or before May 1, 1996; and

11) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950003
OCTOBER 31, 1995

APPLICATION OF
OAK HILL WATER COMPANY

For approval of transfer of utility assets to Albemarle County Service Authority

ORDER GRANTING APPROVAL

Oak Hill Water Company ("Oak Hill," "Company," "Applicant") has requested approval of the transfer of utility assets used to provide water service to the Southwood Mobile Home Park and the Oak Hill Subdivision in Albemarle County, Virginia, to the Albemarle County Service Authority ("ACSA") for no consideration. The transfer took place September 1, 1993. The original cost of the property is stated as $116,529. Company represents that no outside appraisal has been conducted on the assets. Company states that the reason for the transfer was to provide a better quality of service to the residents.

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 neither impair or jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED:

(1) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Applicant is hereby authorized to transfer to the Albermarle County Service Authority for no consideration the utility assets as described herein; and

(2) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950007
MAY 5, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

For approval to enter into tax allocation agreement

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 enter into a Tax Allocation Agreement (the "Agreement") with its affiliates. In its application, Company requests approval to enter into the Agreement to allocate federal income tax liabilities among Company and its affiliates, Allegheny Generating Company, Allegheny Pittsburgh Coal Company, Allegheny Power Service Corporation, Monongahela Power Company, West Penn Power Company, West Penn West Virginia Water Power Company, West Virginia Power and Transmission Company, Allegheny Power Service Corporation, and AYP Capital, Inc. (collectively referred to as the "Affiliates").

As stated in the application, West Penn Power Company, Monongahela Power Company, AYP Capital, Inc., and Allegheny Power Service Corporation are wholly-owned subsidiaries of Allegheny Power System, Inc. Allegheny Generating Company and Allegheny Pittsburgh Coal Company are jointly owned by Company, West Penn Power Company, and Monongahela Power Company. West Virginia Power and Transmission Company is a wholly-owned subsidiary of West Penn Power Company, and West Penn West Virginia Water Power Company is a wholly-owned subsidiary of West Virginia Power and Transmission Company. As evidenced by the above-described relationships, Company and the Affiliates are affiliated interests as defined under § 56-79 of the Code of Virginia.

In its application, PE requests approval for the Agreement dated December 1, 1994. The Agreement updates a tax allocation agreement dated November 3, 1993, to reflect the incorporation of AYP Capital, Inc. and minor wording changes for accuracy. The November 3, 1993 Agreement was approved by the Commission by Order dated July 29, 1994, in Case No. PUA940013. Company states that the Agreement does not alter the methods used to allocate federal income tax liabilities among Company and the Affiliates. A copy of the Agreement will be filed with the Securities and Exchange Commission.

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 Tax Allocation 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, The Potomac Edison Company is hereby granted approval to enter into the Tax Allocation Agreement as described herein;

2) That should there be any changes in the terms and conditions of the Agreement from those described herein, Commission approval shall be required for such changes;

3) That the approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes;

4) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the 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; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950009
JUNE 19, 1995

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of a tower space and attachment agreement with TeleSpectrum of Virginia, Inc.

ORDER GRANTING APPROVAL

United Telephone-Southeast, Inc. ("United," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting Commission approval of a Tower Space and Attachment Agreement (the "Agreement") between United and TeleSpectrum of Virginia, Inc. ("TeleSpectrum," "Affiliate") pursuant to which United will lease 1,400 square feet of vacant property and space and tower attachment rights to Affiliate.

The Agreement is dated March 1, 1994, and relates to a microwave tower owned by Company on property leased by Company at Sand Mountain in Wythe County, Virginia. United is the lessee of four (4) adjacent parcels of land under lease agreements dated December 14, 1961 (parcel one (1)), July 13, 1962, and June 26, 1962 (parcel two (2)), and October 7, 1965 (parcels three (3) and four (4)). United is leasing to TeleSpectrum tower space on a tower constructed on parcel one (1) and vacant property located on parcel three (3).

The Agreement is for a ten (10)-year term beginning September 1, 1993, with the right to renew for two (2) additional five (5)-year periods. The monthly rental rate is $745.81. Upon renewal, the rate is subject to adjustment for consumer price index increases. The rental rate is based on fully distributed cost and was established by determining the percentage of tower space leased by Affiliate and applying that percent to Company's investment. The Agreement contains provisions for termination with thirty (30) days notice.

Company states that it did not identify the lessee as an affiliate and for that reason did not file the Agreement with the Commission prior to entering into the Agreement. Company requests that approval be granted retroactive to the beginning of the Agreement, September 1, 1993.

United states that the Agreement will allow Company to obtain lease revenues for tower space and property which may otherwise be vacant and nonproductive. Therefore, the arrangement is not detrimental to Virginia ratepayers and serves the public interest by making effective use of real estate and tower space.

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 Tower Space and Attachment Agreement is in the public interest and should be approved retroactively. However, to ensure that the Agreement continues to be in the public interest, any renewals beyond the initial ten-year period should require Commission approval. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, United Telephone-Southeast, Inc. is granted approval for the Tower Space and Attachment Agreement with TeleSpectrum of Virginia as described herein;

2) That the approval is granted retroactive to September 1, 1993, for a ten-year period ending on September 1, 2003;

3) That any renewal of the Agreement beyond September 1, 2003, shall require Commission approval;

4) That the approval granted herein shall have no ratemaking implications;

5) That should any terms and conditions of the Agreement change from those contained in this application, Commission approval shall be required for such changes;

6) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

7) That 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

8) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950010
JULY 24, 1995

APPLICATION OF
VIRGINIA PILOT ASSOCIATION

To revise rates of pilotage and other charges

ORDER PRESCRIBING INCREASED RATES OF PILOTAGE AND OTHER CHARGES

On July 18, 1995, a public hearing was held before the Commission, Commissioner Moore presiding, on this application filed by Lorenzo D. Amory, III on his own behalf and on behalf of other licensed branch pilots, all members of the Virginia Pilot Association ("Association"), to increase rates of pilotage and other charges. No interveners or protestants appeared at the hearing. The Association presented proof of newspaper publication of notice of its application at the hearing as required by the Commission's order of March 8, 1995. The Association presented the testimony and exhibits of Lorenzo D. Amory, III, and the Staff presented the testimony and exhibits of Director of Public Utility Accounting Ronald A. Gibson.

The Commission finds that required notices of the place and time of hearing were published in newspapers of general circulation in the Cities of Norfolk, Portsmouth, and Newport News. The Association proposes to revise rates and charges to increase annual revenues by approximately 14 percent. Based on the evidence presented, the Commission finds that the Association's necessary operating expenses have increased since its rates were last prescribed in 1991. In addition, the Association plans to acquire in 1995 additional equipment, including a new pilot launch, computer equipment, radar units, and radios.

The Association proposes no change in the design of its schedule of rates for pilotage and other charges prescribed by the Commission in its last proceeding. The basic formula for calculating ship units would remain unchanged, but rates per ship unit for pilotage and assistance in docking and undocking vessels would increase. The record shows that the proposed rates would be lower than rates for comparable pilotage services at the ports of New York, Philadelphia, and Maryland. Generally, the proposed rates would be slightly higher than rates for comparable pilotage services at the ports of Wilmington, Savannah, and Charleston.

Upon consideration of the record, the Commission finds that additional annual operating revenues of approximately 14 percent are reasonable and necessary. The Commission further finds that the proposed rates and charges are fair for the service rendered, and we will grant the application as filed. Accordingly,

IT IS ORDERED:

(1) That, as provided by § 54.1-918 of the Code of Virginia, this application is granted and the revised rates and charges are prescribed, effective July 20, 1995;

(2) That the Association promptly file with the Clerk of the Commission a schedule of rates of pilotage and other charges prescribed by this order and that the schedule bear at the foot of each page the following caption: "Prescribed by the State Corporation Commission in Case No. PUA950010 and Effective On and After July 20, 1995"; and

(3) That this case be dismissed from the docket of active proceedings and the papers be transferred to the records of closed proceedings.

CASE NO. PUA950011
OCTOBER 31, 1995

APPLICATION OF
GTE SOUTH INCORPORATED

For approval of affiliate agreements

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 to enter into two (2) affiliate agreements: a General Agreement for Engineering, Construction, Installation, or Maintenance of Telephone Plant (the "General Agreement") with AG Communication Systems Corporation ("AGCS") and a General Purchase Agreement (the "Purchasing Agreement") between AGCS and GTE Communication Systems Corporation ("GTE Supply") for the benefit of GTE South and other affiliates. GTE Supply is an operating division of GTE Communication Systems Corporation.

As stated in the application, AGCS is a Delaware corporation. It designs, engineers, manufactures, distributes, installs, and repairs GTD-5 telecommunication switch and ancillary products as well as providing services to other telecommunications markets. AGCS is a joint venture of GTE Corporation ("GTE") and AT&T. Currently, GTE owns 19.99% of AGCS. In its application, Company states that AGCS is the largest single switch manufacturer used by the GTE Telephone Operating Companies ("GTOCs"), and its business mainly concerns the GTD-5 switch. Despite the predominance of the GTD-5 switch, it is not utilized by GTE South to provide service to its customers in Virginia. As such, the majority of AGCS' transactions with the GTOCs have no relevance to GTE South's Virginia Operations. However, a minor portion of the products and services provided to the GTOCs by AGCS are not related to the GTD-5 switch and, therefore, available to be used in Virginia. GTE South seeks Commission approval of the General Agreement, which has an effective date of August 12, 1992.

Company represents that the General Agreement was executed to ensure that Company, indeed all of the GTOCs, had an agreement in place with its major switch vendor to install/maintain its switching equipment in those situations where Company deems it prudent to have such

installation/maintenance work done by outside contractors. Company further states that it is equally beneficial in defining the terms and conditions for other contracts not involving the GTD-5 switch. The General Agreement defines the contract basis for work done on a competitive bid, quotation, unit price, and hourly bid basis.

Also specified in the General Agreement is the treatment and ownership of proprietary information, the execution and alteration of work plans, the provision of materials, work access, invoicing and payment terms, and the like. The General Agreement does not obligate Company to provide work to AGCS or does it obligate Company to utilize AGCS for any portion of outside contractor work it deems prudent to have done. GTE South represents that the General Agreement is beneficial to Company in that the terms and conditions established therein provide greater protection to Company in terms of the services performed thereunder by AGCS, and it also streamlines the process for the procurement of labor and related services from AGCS.

GTE Communication Systems Corporation is also a Delaware corporation and is an international distributor of telecommunications and data communications products and services. It provides supply related services and sells telecommunications materials and supplies to the various GTOCs, including GTE South. It is a wholly-owned subsidiary of GTE Corporation. In Case No. PUA880009, the Commission approved an agreement between GTE South and GTE Supply to provide supply related services to the GTOCs, including negotiation and contract administration. Company requests approval of a General Purchase Agreement with an effective date of September 7, 1994, between AGCS and GTE Supply, for the benefit of GTE South and other affiliated entities.

Company states that, on occasion, incidental products or services not covered by the General Agreement and not related to the GTD-5 switch may be purchased from AGCS. Company requests approval of a General Purchase Agreement, which establishes generic terms and conditions for as many business related issues as possible between the GTOCs and AGCS. This includes licensing of materials, establishment of pricing terms, submission and processing of purchase orders, invoicing and payment terms, product changes/substitutions, warranties, repair procedures, dispute resolution, and the like. Company represents that the Purchasing Agreement is beneficial to Company in that it streamlines the procurement process with a major vendor, and yet it still allows Company to negotiate agreements for specific requirements as the need arises. The Purchasing Agreement has an effective date of September 7, 1994, for a five (5)-year period.

Company represents that approval of the General Agreement and the Purchasing Agreement will not result in GTE South providing any subsidy to AGCS or GTE Supply or any other nonregulated entity, nor will Company be exposing itself to any unnecessary business risk. Company states that the proposed agreements should lower Company's overall cost of doing business, which would be in the public interest.

The General Agreement is dated August 12, 1992. Notwithstanding that effective date, GTE South has determined that it has used a certain amount of AGCS services pursuant to this agreement, and AGCS has billed, and Company has paid, amounts of $97,840, $313,117, and $168,897 for 1992, 1993, and 1994, respectively. Company, therefore, requests retroactive approval of the General Agreement back to August 12, 1992. In 1994, Company incurred charges of $2,482 under the Purchasing Agreement. Company, therefore, seeks retroactive approval of the Purchasing Agreement back to September 7, 1994.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described affiliate agreements are in the public interest and should be approved on a retroactive basis. However, the Commission is concerned with Company's apparent tardiness in filing for approval of affiliate agreements, and we note the delay in filing for approval in this proceeding as well as in Case No. PUA950012. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, GTE South Incorporated is hereby granted approval of the General Agreement for Engineering, Construction, Installation, or Maintenance of Telephone Plant with AG Communication Systems Corporation retroactive to August 12, 1992, under the terms and conditions as described herein;

2) That, pursuant to § 56-77 of the Code of Virginia, GTE South Incorporated is granted approval of the Purchasing Agreement between AG Communication Systems Corporation and GTE Communication Systems Corporation for the benefit of GTE South and the other affiliates retroactive to September 7, 1994, for a five (5)-year period, under the terms and conditions and for the purposes as described herein;

3) That should Applicant desire to continue the Purchasing Agreement beyond September 7, 1999, Commission approval shall be required;

4) That should any terms and conditions of the General Agreement or the Purchasing Agreement change from those contained in this application, Commission approval shall be required for such changes;

5) That the approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the General Agreement or the Purchasing Agreement for ratemaking purposes;

6) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

7) That the Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia;

8) That Applicant shall file an Annual Report with the Director of Public Utility Accounting on or before April 1 of each year beginning April 1, 1996, showing charges incurred under each Agreement approved herein to include descriptions and amounts of such charges for the preceding calendar year;

9) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950012
OCTOBER 12, 1995

APPLICATION OF
GTE SOUTH INCORPORATED

For approval of two affiliate agreements

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 to enter into two (2) affiliate agreements: a Vehicle Management and Lease Administration Agreement (the "General Agreement") and a Vehicle Operating Lease Agreement (the "Operating Agreement"). The General Agreement has an effective date of August 24, 1990, and is between GTE Leasing Corporation ("GTE Leasing"), GTE Service Corporation ("Service Corp."), for the benefit of itself and other affiliated entities, including GTE South, and PHH FleetAmerica Corporation ("PPH"). The Operating Agreement has an effective date of August 24, 1990, and is between GTE Leasing and Service Corp., for the benefit of itself and other affiliated entities, including GTE South. The General Agreement and the Operating Agreement are collectively referred to as the "Agreements."

As stated in the application, GTE Leasing is a Delaware corporation. It provides financing services for business customers who purchase telecommunications equipment from GTE subsidiaries. It also provides various financial services to GTE affiliates, including GTE South, by bringing economic value to the affiliate through the provision of flexible financing alternatives and productivity savings. GTE leasing is a wholly-owned subsidiary of GTE Corporation. Service Corp. is an administrative corporate headquarters organization which provides certain technical, financial, and other advisory services for various GTE affiliated companies, including GTE South. It is a wholly-owed subsidiary of GTE Corporation. PHH is not an affiliated company.

As indicated in the application, the General Agreement is an umbrella agreement which establishes prices, terms, and conditions for the acquisition and administration of vehicles leased under the Operating Agreement. The Operating Agreement provides the specific terms under which vehicles are leased by the individual GTE companies including GTE South. They apply to each company when the first order is placed by the ordering company.

Company states that both the General Agreement and the Operating Agreement are the direct result of competitive negotiations based on the total volume of vehicle activity by all GTE business units, both regulated and non-regulated, conducted by Service Corp. with the major vehicle leasing companies in the United States including GTE Leasing. Company represents that the Agreements enable the GTE Telephone Operating Companies ("GTOCs"), including GTE South, to obtain access to vehicle acquisition and leasing costs far lower than those that could be negotiated independently. Collectively, the GTE entities enjoy vehicle manufacturers' discounts, fleet management company discounts, and favorable funding rates that could not be achieved by a fleet of six hundred (600) vehicles, which is similar in size to GTE South's fleet in Virginia. Company estimates that funding rates are one hundred thirty (130) basis points lower and fleet management discounts average $175-$200 more per vehicle than what typically could be achieved by a six hundred (600) vehicle fleet operation.

Company represents that neither the General Agreement nor the Operating Agreement will result in GTE South providing any subsidy to GTE Leasing or Service Corp. or any other nonregulated entity, nor will Company be exposing itself to any unnecessary business risk. Company states that the Agreements should lower Company's overall cost of doing business which benefits the public interest.

GTE South states that the General Agreement and the Operating Agreement were initially executed between GTE Leasing and Service Corp. The benefits of the Agreements were made available to all GTE affiliates, including the GTOCs. At the time of the initial execution of the agreements, however, the majority of transactions contemplated thereunder were to be with non-regulated GTE entities. Since very few, if any, leases were anticipated for the GTOCs, the Agreements were not filed with the Commission. Company further states that, while records dating back to the original date of execution are not readily available, only one vehicle in Virginia was leased from GTE Leasing by GTE South in the fourth quarter of 1992, and the total vehicle charges for that year were less than $4,000. In 1993, total charges under the Agreements were $26,000. In 1994, leasing charges increased to $47,000. Company, therefore, requests approval retroactive to August 24, 1990.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Agreements would be in the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, GTE South is hereby granted approval for the Vehicle Management and Lease Administration Agreement and the Vehicle Operating Lease Agreement retroactive to August 24, 1990, under the terms and conditions and for the purposes as described herein;

2) That should any terms and conditions of the Agreements change from those contained herein, Commission approval shall be required for such changes;

3) That should Applicant desire to continue to operate under the Agreements beyond the time periods as specified in the Agreements, Commission approval shall be required for any renewals or extensions;

4) That the approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes;

5) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) 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

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950013
AUGUST 4, 1995

APPLICATION OF
CLIFTON FORGE-WAYNESBORO TELEPHONE COMPANY

For approval of an amended Affiliates Agreement

ORDER GRANTING APPROVAL

Clifton Forge-Waynesboro Telephone Company ("Telephone Company," "Applicant") has filed an application under the Public Utilities Affiliates Act, Virginia Code § 56-77, for approval of an amended Affiliates Agreement (the "Agreement").

Telephone Company provides telephone service to the public in the Commonwealth of Virginia. 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 ("CFWcom") owns all the common stock of Telephone Company and Network and is the holding company for them.

Applicant and its affiliates, CFWcom 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 CFWcom 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 this case, Telephone Company requests approval to further amend its Affiliates Agreement to allow CFW Information Services, Inc. ("Information Services") and CFW Licenses ("Licenses") to be included in the Agreement. Information Services provides directory assistance services for a four-state region including Virginia, West Virginia, Maryland, and Washington, D.C. Licenses provides Federal Communications Commission ("FCC") license acquisition services to the consolidated CFWcom entity and its subsidiaries. Both Licenses and Information Services are subsidiaries of CFWcom.

Under the terms of the Agreement, Telephone Company will provide building, construction, maintenance, and repair services to Information Services at full cost. Telephone Company will provide local telephone services to Information Services at tariffed rates. Telephone Company also will provide usage of its 5ESS Central Processor common equipment to Information Services. Licenses is a "shell" company established to acquire and hold FCC licenses. No services will be provided to Licenses by Telephone Company. Also, CFW Quality Cable, Inc. legally changed its name to CFW Cable, Inc. and is wholly-owned by CFWcom. Cable was previously seventy-five percent (75%) owned by CFWcom. The Agreement will continue in effect until terminated by any party to the Agreement upon thirty (30) days written notice.

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 approval of the amended Affiliates Agreement as described herein 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, Applicant is hereby granted approval of the amended Affiliates Agreement as described herein;

2) That should any terms and conditions of the amended Agreement change from those described herein, Commission approval shall be required for such changes;

3) That the approval granted herein shall not be deemed to include recovery of any costs or charges for ratemaking purposes;

4) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the 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; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950014
NOVEMBER 27, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

For approval of construction/meter reading agreement

ORDER GRANTING APPROVAL

The Potomac Edison Company ("PE," "Company," "Applicant") has filed an application with the Commission under the Public Utility Affiliates Act requesting approval of a Construction and Meter Reading Agreement (the "Agreement") with West Penn Power Company ("West Penn," "Affiliate") to allow PE to provide certain construction and meter reading services to West Penn Power Company. Company states in its application that PE's and West Penn's service territories are adjacent to one another and meet at the Pennsylvania-Maryland line. Due to the physical proximity of PE's employees, meter reading, and construction equipment to certain portions of West Penn's service territory, West Penn has requested and PE has agreed to provide certain meter reading and construction services in West Penn's service territory.

Under the Agreement, PE agrees to provide manpower, tools, and equipment for the operation, maintenance, and construction of facilities owned by West Penn, including lines, substations, meter readers, and meter reading for West Penn in a portion of West Penn's South Penn Division. The Agreement has an effective date of March 1, 1995, and will remain in effect until canceled by either party. West Penn will promptly pay PE for such work performed at PE's current total labor and material 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 Agreement would be in the public interest and should be approved. However, the Commission is of the opinion that to further ensure that the Agreement continues to be in the public interest, such approval should be for a definite time period through December 31, 1997. During that time, Company should be required to track the actual cost of facilities used by PE in providing services to Affiliate under the Agreement. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, The Potomac Edison Company is hereby granted approval of the Construction and Meter Reading Agreement with West Penn under the terms and conditions and for the purposes as described herein;

2) That such approval shall be effective through December 31, 1997;

3) That should any of the terms and conditions of the Agreement change from those contained herein, Commission approval shall be required for such changes;

4) That the approval granted herein shall have no ratemaking implications;

5) That during the approval period, Applicant shall track the actual cost of facilities and other related costs used in providing services pursuant to the Agreement and that such costs shall be included in any future agreements for providing such services;

6) That Applicant shall be responsible for extracting all costs for which Affiliate should have been responsible and not included in charges pursuant to the Agreement in future rate proceedings;

7) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

8) That 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

9) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950015
JULY 24, 1995

JOINT APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For authority to transfer utility assets

ORDER GRANTING AUTHORITY

On April 11, 1995, Virginia Electric and Power Company ("Virginia Power"), and Northern Virginia Electric Cooperative ("NOVEC"), collectively referred to as "Applicants", filed an application with the Commission under the Utility Transfers Act requesting authority to transfer from Virginia Power to NOVEC the Harrison substation facilities (the "Facilities"). The Facilities to be transferred have been, and currently are being, used by Virginia Power in connection with the sale for resale of electricity to NOVEC. The Facilities will be used by NOVEC in connection with the distribution

and sale of electricity to NOVEC retail customers. The sales price for the Facilities is $79,596, which is equal to the present reproduction cost of the Facilities less depreciation as estimated by Virginia Power.

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 the above-described transfer of utility assets would neither impair nor jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Virginia Electric and Power Company is hereby authorized to sell to, and Northern Virginia Electric Cooperative is hereby authorized to purchase from, Virginia Electric and Power Company the Facilities as described herein at a price of $79,596;

2) That, on or before September 30, 1995, Applicants shall file a report of the action taken, such report to include the date of transfer, sales price, and the accounting entries reflecting the transaction; and

3) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950016
JUNE 15, 1995

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For authority to transfer cellular operations to an affiliate

ORDER GRANTING AUTHORITY

United Telephone-Southeast, Inc. ("United," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to transfer as a capital contribution all of its ownership interests in Virginia RSA 1 Limited Partnership ("RSA 1") and Virginia RSA Limited Partnership ("RSA 2") to a new subsidiary ("New Subsidiary") to be created as a wholly-owned subsidiary of United. RSA 1 is 95.01% owned by United and serves Buchanan, Dickenson, Lee, Russell, and Wise counties. RSA 2 is 66.51% owned by United and serves Bland, Grayson, Smyth, Tazewell, and Wythe counties. As a result of the transactions, United will own all the outstanding shares of common stock of New Subsidiary.

In addition, United will create a second wholly-owned subsidiary ("Second Subsidiary") and transfer the stock of its New Subsidiary to Second Subsidiary. Second Subsidiary will then exchange the stock of New Subsidiary to Centel Corporation for Centel Corporation's preferred stock. The net result will be that United will own Second Subsidiary, Second Subsidiary will own Centel Corporation preferred stock, and Centel will own the cellular interests formerly owned by United. The shares of Centel preferred stock will equal in value the fair market value of that portion of the value of RSA 1 and RSA 2 assets owned by United as represented by the shares of New Subsidiary common stock.

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:

1) That, pursuant to § 56-77 of the Code of Virginia, United Telephone-Southeast, Inc. is hereby authorized to enter into the transactions as described herein to transfer the ownership of its cellular operations to an affiliate;

2) That the authority granted herein shall have no ratemaking implications;

3) That the authority granted shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) That the Commission reserves the 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;

5) That, on or before August 31, 1995, 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 reflecting the transfer; and

6) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950017
JUNE 30, 1995

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of its agreement to indemnify the buyer regarding the sale of mining assets

ORDER GRANTING APPROVAL

On April 14, 1995, Appalachian Power Company ("APCO," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for approval of an agreement with Southern Appalachian Coal Company ("SACCO," "Affiliate"). Company states in its application that SACCO, a corporation organized and doing business under the laws of the State of West Virginia, is a wholly owned subsidiary of APCO. APCO owns all of the outstanding shares of common stock of SACCO, and no other class of stock is outstanding. SACCO is engaged in the development and mining of certain coal lands and reserves located in the State of West Virginia.

As stated in the application, APCO and Affiliate have entered into an Agreement of Purchase and Sale (the "Agreement") dated March 22, 1995, with Whites Creek Limited Liability Company, a West Virginia limited liability company (the "Buyer"), with respect to most of its remaining West Virginia mining assets. Company has entered into three addendums to the Agreement dated March 22, 1995, June 2, 1995, and June 12, 1995, collectively referred to as the "Addendums." By Order dated May 29, 1984, in Case No. PUA840010, APCO was granted authority to enter into various affiliate transactions in connection with the sale of a large part of the coal mining properties owned or controlled by it.

Under the Agreement, APCO and Affiliate have agreed to indemnify, defend, and save harmless the Buyer against certain liabilities and contingencies that may be asserted by employees or former employees of Affiliate against Buyer or by federal, state, or local agencies as a result of non-compliance with laws relating to mining operations. The indemnities include claims under the West Virginia Workers Compensation Act, the federal Black Lung Benefits Act, and the National Bituminous Coal Wage Agreement of 1993. Company requests approval of its agreement to indemnify the Buyer against certain liabilities and contingencies that may be asserted by employees or former employees of Affiliate.

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 and Addendums 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, Appalachian Power Company is hereby granted approval of the Agreement of Purchase and Sale with Southern Appalachian Coal Company and Whites Creek Limited Liability Company and the Addendums referred to herein;

2) That the approval granted herein shall have no ratemaking implications;

3) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) 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 this Commission, pursuant to § 56-79 of the Code of Virginia; and

5) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950018
JUNE 19, 1995

APPLICATION OF
HOGES CHAPEL WATER SERVICE CORPORATION

For authority to transfer utility assets to the County of Giles, Virginia

ORDER GRANTING AUTHORITY

Hoges Chapel Water Service Corporation ("Hoges Chapel," "Company," "Applicant") has filed an application with the Commission under the Utility Transfers Act requesting authority to transfer its utility assets (the "Water System") to the County of Giles, Virginia ("Giles County"), for a purchase price of $144,281.74. Company states in its application that throughout most of its history, the receipts collected barely covered the expenses. The Water System has numerous leaks to be repaired, and Company's lack of capital prevents this work from being done.

Company further states that on March 22, 1995, by a unanimous vote of the stockholders and other nonstockholding customers in attendance, it was decided that Hoges Chapel should be acquired by Giles County. Hoges Chapel represents that Giles County has the capital and the expertise to locate and repair the leaks. Giles County will serve the customers currently served by Company.

As stated in the application, Hoges Chapel currently serves residential customers, small businesses, and a school. The proposed sales price of $144,281.74 was determined by the total of Company's outstanding liabilities that Giles County will assume. The sale would end the existence of Company. All existing account balances would be closed out.

Company states that Giles County has agreed to operate the Water System at a break-even level and that the receipts at the current water rates should be sufficient to meet the expenses. Hoges Chapel states that the overall impact on customers should be favorable for the following reasons: the rate structure should be the same or possibly lowered, service to customers should be improved since Giles County will have a larger staff more able to provide service to customers, Giles County is in a far better position to access the capital needed to improve the Water System, Company currently has only two (2) people with which Company contracts on a part-time basis for maintenance and clerical duties, and additional capital can be provided by Giles County to repair a significant leak under State Route 460.

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:

1) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Applicant is hereby authorized to transfer to the County of Giles, Virginia, the Water System as described herein at the price of $144,281.74;

2) That, on or before, August 31, 1995, Applicant shall file a report of the action taken pursuant to the authority granted herein, such Report to include the sales price of the Water System, date of transfer, and the accounting entries reflecting the transfer; and

3) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950019
SEPTEMBER 18, 1995

APPLICATION OF
DALE SERVICE CORPORATION

For approval of Lease Agreement

ORDER GRANTING APPROVAL

Dale Service Corporation ("Dale Service," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to enter into a lease agreement (the "Lease Agreement") with its affiliate, Interstate Investment, Inc. ("Interstate," "Affiliate"), for and on behalf of the Irene V. Hylton Marital Trust "B" (Share 2)("Hylton Trust"). Interstate is the management arm of Hylton Trust. Hylton Trust is owned by the Trustees of the Irene V. Hylton Marital Trust. The Trustees of the Irene V. Hylton Marital Trust also own Dale Service Corporation. Therefore, both Interstate and Hylton Trust are affiliates of Dale Service as defined in Section 56-76 of the Code of Virginia.

Under the Lease Agreement, Dale Service will lease 5565 Mapledale Plaza in Prince William County, Virginia, from Hylton Trust, the owner, for use as office space. Company states that 5565 Mapledale Plaza is located in its service territory and is conveniently located for its customers. The Lease Agreement has an effective date of August 1, 1995, and will have an initial term of five (5) years. The terms and conditions of the Lease Agreement are substantially the same as those approved by the Commission in Case No. PUA900022. The authority in Case No. PUA900022 expired on March 31, 1995.

As provided for in the Lease Agreement, the base rent is $15.00 per square foot in the first year with a three percent (3%) increase per annum for the remainder of the lease term. Company represents that the terms and conditions of the proposed Lease Agreement are just and reasonable and consistent with market rates.

According to the Lease Agreement, the lease is for approximately 1,000 square feet. The monthly rental rate for the first year will be $1,250.00. By the fifth year, the monthly rental rate will be $1,406.67. Dale Service will be pay its pro rata share of taxes as additional rent as well as its share of the bill for gas service, insurance, and common area maintenance.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Lease 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, Dale Service Corporation is hereby granted approval to enter into the Lease Agreement with Interstate Investment, Inc. under the terms and conditions and for the purposes as described herein;

2) That the approval granted herein shall expire on July 31, 2000;

3) That should Applicant desire to extend the Lease Agreement beyond July 31, 2000, Commission approval shall be required;

4) That should there be any changes in the terms and conditions of the Lease Agreement from those contained herein, Commission approval shall be required;

5) That the approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes;

6) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

7) That the Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia;

8) That, on or before November 30, 1995, Applicant shall file an executed copy of the Lease Agreement with the Commission; and

9) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950020
NOVEMBER 21, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For Authority to Contract for Landfill Gas Supply With CNG Energy Services Corporation, an Affiliate

ORDER GRANTING MOTION TO WITHDRAW AND DISMISSING CASE

By motion filed on November 16, 1995, counsel for Virginia Natural Gas, Inc. ("VNG") requests leave to withdraw its application for authority to enter into a proposed Firm Gas Sales Agreement ("Agreement") between VNG and CNG Energy Services Corporation ("Energy Services") whereby methane produced and recovered from the Charles City County Landfill would be purified, liquefied, stored, and subsequently vaporized and introduced into VNG's distribution system as peaking supply. In support for its motion, VNG states that the Agreement was conditioned on a proposed business relationship between Energy Services and the owner and operator of the Charles City County Landfill and that such a relationship had not materialized and the proposed project had been abandoned. VNG further states that the Commission's Staff does not object to its request.

NOW THE COMMISSION, having considered the matter, will grant VNG's motion and dismiss this case from the Commission's docket of active cases. Accordingly,

IT IS ORDERED THAT:

(1) VNG's Motion for Leave 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. PUA950021
SEPTEMBER 7, 1995

JOINT APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
DELMARVA POWER AND LIGHT COMPANY

For approval of certain affiliate transactions

ORDER GRANTING APPROVAL

Washington Gas Light Company ("WGL") and Delmarva Power and Light Company ("Delmarva"), collectively referred to as the "Companies" or the "Applicants" have filed a joint application with the Commission under the Public Utility Affiliates Act requesting approval of a Limited Liability Company Agreement (the "LLC Agreement") and a Limited Agency Agreement (the "Agency Agreement"). The Companies, together with a number of other non-Virginia local distribution companies ("LDCs") and LDC affiliates, are parties to the LLC Agreement, which provides for the formation of the East Coast Natural Gas Cooperative, L.L.C., (the "Cooperative") a Limited Liability Company under Delaware law.

The Companies state in the application that the restructuring and deregulation of the natural gas industry in recent years, particularly at the federal level, has resulted in dramatic changes in the industry and in the markets in which LDCs operate. It is further stated in the application that the ultimate responsibility for arranging gas supplies has passed from interstate pipelines to LDCs. At the same time, the potential sources of natural gas supplies and the potential complexity of gas purchase arrangements have increased significantly in the deregulated environment.

In response to these changes in the natural gas industry, the Companies and a number of non-Virginia LDCs or their affiliates have formed the Cooperative. The purposes of the Cooperative are to provide for the coordination of use of certain natural gas capacity, storage, transportation, and supply assets of the Members of the Cooperative in order to enhance the reliability of services in the event of emergencies related to weather or other factors, to arrange for the purchase and sale of natural gas supplies, and to generally increase Members' business opportunities related to the distribution of natural gas.

The Cooperative is a Delaware Limited Liability Company with a total of seven (7) Members at the present time. Accordingly, each Member, including WGL and Delmarva, currently holds an interest of 14.28571% in the Cooperative. An eighth member is expected in the near future. The permitted businesses of the Cooperative include: (1) to provide for and facilitate the coordinated use of certain natural gas capacity, storage, transportation, and supply assets of the Members and/or affiliates in order to improve the reliability of services and efficiency of resource allocation; (2) to purchase natural gas supplies as agent for Members and/or third parties; (3) to purchase or own such facilities and other assets reasonably required for the

Cooperative's business; (4) to purchase and sell a diversified portfolio of natural gas supplies from and to Members and/or their affiliates and/or third parties and in the open market; (5) to exercise all other powers necessary to or reasonably connected with its business that may be legally exercised by limited liability companies under Delaware law; and (6) to engage in such other related businesses and activities as may be lawfully engaged in by limited liability companies under Delaware law.

As indicated in the application, the business of the Cooperative will be managed by a group of Managers acting collectively. Each Member of the Cooperative, including WGL and Delmarva, has designated a Manager to represent its interests in the management of the Cooperative. This provision of the LLC Agreement makes the Cooperative an affiliated interest of the Companies under § 56-76 of the Code of Virginia. The term of the Agreement is fifty (50) years, unless the Cooperative is earlier dissolved. However, as provided for in the Agreement, any Member may elect to terminate its membership upon sixty (60) days' notice.

In supplemental filings, the Companies filed an Amendment No. 1 to the LLC Agreement and a Limited Agency Agreement. The Amendment No. 1 increases each Member's initial capital contribution with no changes in each Member's share and reflects new designation of Manager and Alternate Manager by certain Members, including Delmarva and WGL.

The Companies state that the The Limited Agency Agreement serves as the "link" between the Companies and the Cooperative in its role of arranging gas supplies for its Members. Under the Limited Agency Agreement, the Cooperative will serve as a non-exclusive agent for the Members, including the Companies, for the limited purpose of locating certain supplies of natural gas, negotiating gas sales agreements, and assisting in the administration of such natural gas sales agreements. Currently, the Companies arrange their own gas supplies through their internal operations. One purpose of the Cooperative is to permit the Members to act collectively to arrange gas supplies. The Companies expect the collective actions of the Cooperative to be complementary to their own individual efforts to arrange gas supplies. The Companies state that they propose to appoint the Cooperative to act as their non-exclusive agent for certain limited purposes, including (1) to locate supplies of natural gas, (2) to negotiate natural gas sales agreements on behalf of the members, including the Companies, and (3) to assist the members, including the Companies, in the administration of such natural gas agreements.

Under the terms of the Limited Agency Agreement, the Cooperative will not receive compensation from WGL or Delmarva in connection with any services provided pursuant to the Limited Agency Agreement. Consequently, no direct costs are anticipated in connection with services to be provided by the Cooperative under the Limited Agency Agreement. However, the Cooperative may receive compensation from sellers of natural gas or third parties pursuant to agreements between the Cooperative and such sellers or third parties. It is stated that the Companies have accounting systems in place to ensure that the Cooperative will not be subsidized as a result of the Limited Agency Agreement.

In support of the application, the Companies state that they are providing management services to the Cooperative because the Cooperative's business can be managed most efficiently by the designated Managers of the Members acting collectively. There were no such prior arrangements since the Cooperative is a newly formed entity. The Companies represent that services will be provided to the Cooperative at cost, which approximates market. WGL states that direct labor costs for all time devoted to the Cooperative's business will be directly assigned to the Cooperative. The cost of benefits associated with direct labor will be allocated using the same methodology currently used to allocate affiliate costs by WGL. Delmarva states that all costs related to the Cooperative's business will be charged to Delmarva's Gas Division and included solely in gas rates. Accordingly, none of such costs will be charged to Delmarva's electric customers in Virginia.

In the application, it is stated that the Cooperative is an expansion of the on-going gas purchasing activities in which WGL and Delmarva normally engage to purchase gas for their gas distribution customers. The Cooperative broadens the market area and improves the Companies' position in the market place to take advantage of opportunities afforded under Order No. 636 when buying gas in another market. In further support of the public interest of the application, it is stated that the LLC Agreement's purpose is to improve WGL's position for buying gas in the spot market, with the underlying goal to reduce the cost of gas to ratepayers. The LLC Agreement will have no effect on the Virginia ratepayers of Delmarva since Delmarva provides natural gas service only in Delaware.

THE COMMISSION, upon consideration of the application and representation of Applicants and having been advised by its Staff, is of the opinion and finds that the above-described affiliate transactions 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, Washington Gas Light Company and Delmarva Power and Light Company are hereby granted approval of the Limited Liability Company Agreement, Amendment No. 1 to the LLC Agreement, and the Limited Agency Agreement under the terms and conditions and for the purposes as described herein;

2) That should any of the terms and conditions of the LLC Agreement, Amendment No. 1 , or the Limited Agency Agreement, to include the determination of costs charged to the Cooperative, change from those contained herein, Commission approval shall be required for such changes;

3) That the approval granted herein shall have no implications for ratemaking purposes;

4) That any specific transactions between Washington Gas Light Company and/or Delmarva Power and Light Company and the Cooperative, other than those specific transactions approved herein, shall require Commission approval;

5) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That 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) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950021
SEPTEMBER 28, 1995

JOINT APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
DELMARVA POWER & LIGHT COMPANY

For approval of certain affiliate transactions

ORDER GRANTING RECONSIDERATION AND SUSPENDING EXECUTION OF ORDER

On September 28, 1995, East Coast Natural Gas Cooperative, L.L.C. ("the Cooperative"), joined by Washington Gas Light Company (collectively, "the Petitioners"), filed a petition requesting leave for the Cooperative to intervene in the above captioned proceeding and requesting reconsideration of the Commission's September 7, 1995 Order Granting Approval, with specific reference to clarifying the scope of ordering paragraphs (2) and (5) therein. The Petitioners also request the Commission to suspend execution of the above referenced order pending review of specific matters raised in the petition.

NOW THE COMMISSION, having considered the matter, is of the opinion that the above referenced request for reconsideration and suspension of our September 7, 1995 Order should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The request for reconsideration be, and hereby is, granted.

(2) The execution of our September 7, 1995 Order Granting Approval be, and hereby is, suspended.

(3) This matter be continued subject to further review by the Commission.

CASE NO. PUA950021
OCTOBER 11, 1995

JOINT APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
DELMARVA POWER & LIGHT COMPANY

For approval of certain affiliate transactions

AMENDING ORDER

By order entered on September 7, 1995, the Commission granted Washington Gas Light Company ("WGL") and Delmarva Power & Light Company ("Delmarva"), collectively "the Companies", approval of the Limited Liability Company Agreement (the "L.L.C. Agreement"), Amendment No. 1 to the L.L.C. Agreement, and the Limited Agency Agreement pursuant to § 56-77 of the Code of Virginia. The Companies, together with a number of other non-Virginia local distribution companies ("LDCs"), and LDC affiliates, are parties to the L.L.C. Agreement which provides for the formation of East Coast Natural Gas Cooperative, L.L.C. ("the Cooperative").

On September 28,1995, the Cooperative, joined by WGL, filed a petition requesting the Commission to grant reconsideration of its Order with specific reference to clarifying the scope of ordering paragraphs (2) and (5) therein. By Order entered that same day, the Commission granted reconsideration of the matter and suspended execution of its September 7, 1995 Order.

NOW THE COMMISSION, having considered the matter, is of the opinion that our Order of September 7, 1995, should be amended relative to ordering paragraphs (2) and (5) therein. Accordingly,

IT IS ORDERED THAT:

(1) Ordering paragraph (2) of that Order be, and hereby is, amended as follows:

> That Washington Gas Light Company and Delmarva Power & Light Company shall file an annual report detailing any changes in the terms and conditions of their participation in the L.L.C. Agreement and the Limited Agency Agreement. The first of such reports shall be filed with the Commission's Division of Public Utility Accounting on or before April 1, 1996.

(2) Ordering paragraph (5) of that Order be, and hereby is, amended as follows:

> That approval herein shall not preclude the Commission from exercising its authority over Washington Gas Light Company and Delmarva Power & Light Company consistent with the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

(3) All other provisions of our September 7, 1995 Order shall remain in full force and effect.

(4) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950022
SEPTEMBER 21, 1995

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of Agency Agreement with United Telephone Company of Florida

ORDER GRANTING APPROVAL

United Telephone-Southeast, Inc. ("United," "Company," "Applicant") has filed an application with the Commission under the Public Utility Affiliates Act requesting approval of an Agency Agreement (the "Agreement") with United Telephone Company of Florida ("United-Florida," "Affiliate") pursuant to which United-Florida serves as agent for United and as a single point of contact for WalMart, Inc. ("WalMart") regarding all pay telephone service matters in United's service territory. Such pay telephone service matters will include, without limitation, taking of orders to install and remove service, taking trouble reports, and collecting commission payments from United and forwarding them to WalMart.

As stated in the Agreement, the Agreement will become effective as of the date of Commission approval. There are no provisions regarding renewability. The Agreement may be immediately canceled by Company upon written notice.

Company states in its application that the services are needed by Affiliate in order to retain WalMart's business. WalMart requested a single point of contact for all pay telephone service matters within Sprint's operating telephone companies' service territories. Currently, WalMart deals with United and the other Sprint operating telephone companies on an individual basis concerning all pay telephone service matters within their respective service territories.

For services provided by Affiliate, United will compensate Affiliate for its costs and expenses incurred in providing the services on behalf of Company. Company will not pay United-Florida a separate fee for its services as agent. The charges to United will be based on directly assignable costs, where practicable, or allocated based on the percentage of pay telephones owned by United out of the total owned by all Sprint operating telephone companies.

As indicated in the application, United will continue to pay the same commissions and provide the same pay station data as it does directly to WalMart at the current time. However, under the proposed arrangement, United will provide the commissions and data to United-Florida, which in turn will interact with WalMart on United's behalf. Company states that, by providing the pay telephone services to WalMart from a centralized source, United is able to retain WalMart's pay telephone business and the revenues received therefrom. Company estimates a revenue loss if the Agreement is not approved and WalMart's business is lost of $76,066.

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 Agency 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, United Telephone-Southeast, Inc. is hereby granted approval to enter into the Agency Agreement with United Telephone Company of Florida under the terms and conditions and for the purposes as described herein;

2) That should any of the terms and conditions of the Agency Agreement change from those contained herein, Commission approval shall be required for such changes;

3) That the approval granted herein shall in no way be deemed to include recovery of any costs or charges in connection with such approval for ratemaking purposes;

4) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the 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; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950023
OCTOBER 3, 1995

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of Agency Agreement with United Telephone Company of Florida

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Central," "Company," "Applicant") has filed an application with the Commission under the Public Utility Affiliates Act requesting approval of an Agency Agreement (the "Agreement") with United Telephone Company of Florida ("United-Florida," "Affiliate") pursuant to which United-Florida serves as agent for Central and as a single point of contact for WalMart, Inc. ("WalMart") regarding all pay telephone service matters in United's service territory. Such pay telephone service matters will include, without limitation, taking of orders to install and remove service, taking trouble reports, and collecting commission payments from Central and forwarding them to WalMart.

As stated in the Agreement, the Agreement will become effective as of the date of Commission approval. There are no provisions regarding renewability. The Agreement may be immediately canceled by Company upon written notice.

Company states in its application that the services are needed from Affiliate in order to retain WalMart's business. WalMart requested a single point of contact for all pay telephone service matters within Sprint's operating telephone companies' service territories. Currently, WalMart deals with Central and the other Sprint operating telephone companies on an individual basis concerning all pay telephone service matters within their respective service territories.

For services provided by Affiliate, Central will compensate Affiliate for its costs and expenses incurred in providing the services on behalf of Company. Company will not pay United-Florida a separate fee for its services as agent. The charges to Central will be based on directly assignable costs where practicable or allocated based on the percentage of pay telephones owned by United out of the total owned by all Sprint operating telephone companies.

As indicated in the application, Central will continue to pay the same commissions and provide the same pay station data as it does directly to WalMart at the current time. However, under the proposed arrangement, Central will provide the commissions and data to United-Florida, which in turn will interact with WalMart on Central's behalf. Company states that by providing the pay telephone services to WalMart from a centralized source, Central is able to retain WalMart's pay telephone business and the revenues received therefrom. Company estimates a revenue loss if the Agreement is not approved and WalMart's business is lost of $76,066.

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 Agency 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, Central Telephone Company of Virginia is hereby granted approval to enter into the Agency Agreement with United Telephone Company of Florida under the terms and conditions and for the purposes as described herein;

2) That should any of the terms and conditions of the Agency Agreement change from those contained herein, Commission approval shall be required for such changes;

3) That the approval granted herein shall in no way be deemed to include recovery of any costs or charges in connection with such approval for ratemaking purposes;

4) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the 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; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950024
SEPTEMBER 7, 1995

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to merge a subsidiary with and into its parent

ORDER GRANTING AUTHORITY

Washington Gas Light Company ("WGL," "Company") has filed an application with the Commission under the Public Utilities Affiliates Act and the Utility Transfers Act requesting authority to merge its wholly-owned subsidiary, Frederick Gas Company ("Frederick," "Affiliate"), with and into

WGL and to cancel its stock in Frederick. Frederick is a public service company organized and existing under the laws of the State of Maryland and subject to regulation by the Maryland Public Service Commission.

By Commission Order dated March 11, 1963, in Case No. 16244, WGL was authorized to acquire all of the outstanding capital stock of Frederick. WGL was subsequently authorized to acquire additional shares of common stock of Frederick in payment of certain open account advances.

In the application, Company states that the merger will be governed by the plan of merger which is set forth in the form of Articles of Merger. The proposed effective date of the merger is January 1, 1996. The plan of merger will be as follows:

1) Frederick will be merged into WGL, the separate corporate existence of Frederick wll cease, and WGL will be continuing and surviving corporation and will continue to exist under the laws of the Commonwealth of Virginia and the District of Columbia;

2) Each outstanding share of capital stock of Company will continue to be one (1) outstanding share of stock of Company and will continue to have the same rights, privileges, and preferences as before the merger. Each outstanding share of Frederick capital stock owned by WGL and each share held by Frederick in its treasury will be canceled without consideration on the date of the merger;

3) Resolutions have been adopted by the Boards of Directors of both companies authorizing the merger;

4) Approval is required by the Maryland Public Service Commission, and that approval has been obtained. Upon receipt of all necessary approvals, Articles of Merger will be filed with the Commission; and

5) Affiliate will assign and transfer to Company its franchises to provide natural gas service in the Cities of Frederick and Walkersville, Maryland, and in Frederick County, Maryland. The transaction will not result in any change in rates authorized and approved by the Commission for natural gas service by WGL to its customers in Virginia.

Company states that the proposed merger is in the public interest in that the merger will lead to greater efficiencies for the merging companies. Since 1963, Frederick and WGL have been under the same management, and while separate corporate entities, many services, such as gas supply, provided on a centralized basis. Also, the service areas of Affiliate and Company are adjoining, Affiliate and Company receive service from the same interstate pipelines, both entities secure gas supplies under joint contracts, and some customers of WGL in Montgomery County, Maryland, receive service from facilities owned and operated by Frederick Gas. Company represents that the proposed merger should provide the opportunity for further centralization and savings.

Company represents that the proposed merger also will eliminate the need to maintain separate corporate entities in Maryland. It will no longer be necessary to maintain separate ledgers, to prepare separate monthly and annual reports and accounting statements, or to effect inter-company billings for services and salaries.

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 merger of Frederick Gas Company with and into Washington Gas Light Company and the associated disposition of Frederick stock would be in the public interest and would not impair or jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, Washington Gas Light Company is hereby authorized to merge its wholly-owned subsidiary, Frederick Gas Company, with and into Washington Gas Light Company under the terms and condtitions as set forth in the application and in the plan of merger, which is in the form of Articles of Merger;

2) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Washington Gas Light Company is hereby authorized to dispose of its capital stock in Frederick Gas Company and cancel such shares disposed of without consideration on the effective date of the merger;

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, on or before March 1, 1996, Applicant shall file a report of the action taken pursuant to the authority granted herein, such report to include the date of merger and the actual accounting entries to reflect the merger; and

6) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950026
SEPTEMBER 1, 1995

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 April 30, 1995, 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 early 1994, it solicited bids for purchasing virgin GAC from several firms. Quotes obtained ranged from $18.14/cu. ft. to $20.70/cu. ft. Company further represents that affiliate will provide reactivated carbon to Company for $17.40/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 six (6) contactors over the life of the Agreement is $142,341 versus $162,666 if the carbon were purchased. The revenue requirement related to leasing versus purchasing the carbon solely for contact filters 2C and 2D over the life of the Agreement is $53,378 and $60,679, respectively. The analysis is based upon Company replacing one-third of the carbon every year in order that carbon would be in service no longer than three (3) years.

The proposed lease provides for the collection of spent carbon from contact filters 2C and 2D, 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 April 30, 1995, or the date of Commission approval. The annual basic rental will be $17,340. 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.

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:

1) That, 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) That such approval shall be effective for three (3) years beginning on the date of this Order;

3) That any renewals or extensions of the Agreement beyond the three-year period approved herein shall require Commission approval;

4) That the approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes;

5) That 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) That 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) That 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; and

8) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950027
OCTOBER 24, 1995

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of Services Agreement with affiliate

ORDER GRANTING APPROVAL

Washington Gas Light Company ("WGL," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of a Services Agreement with East Coast Natural Gas Cooperative, L.L.C. (the "Cooperative") pursuant to which WGL will provide certain Mail and Managerial Services (the "Services") to the Cooperative.

WGL states that the proposed Mail Services include receiving, sorting, routing, and forwarding mail addressed to the Cooperative or its managers, officers, employees, or agents, at the offices of Company at 6801 Industrial Road, Springfield, Virginia 22151. The Cooperative will reimburse WGL for all reasonably incurred expenses directly related to the provision of Mail Services. Company states that the proposed Managerial Services to be provided by one of its employees include such managerial services as may be assigned from time to time by the Cooperative. The Cooperative will reimburse Company for such Managerial Services at an hourly rate of $45 plus all reasonably incurred expenses directly related to the provision of such services. The Services Agreement is to be effective on April 1, 1995, and shall terminate upon the written agreement of the parties to the Service Agreement or upon ten (10) days' advance written notice by either party to the other.

WGL states that it proposes to provide Mail and Managerial Services to the Cooperative because the Cooperative has no employees, and the Services are not expected to take a substanial amount of time. Therefore, they can be provided most efficiently through an employee of WGL, which is a member of the Cooperative. Company states that the Services will be provided to the Cooperative at cost, which approximates market. Accounting systems and procedures currently in place applicable to affiliated transactions will ensure that costs are properly assigned and accounted for separately from Company's regulated activities.

In support of the Services Agreement, WGL states that one of the purposes of the Cooperative is to enhance the reliability and economic position of WGL for providing utility services to its customers. This includes buying gas in the marketplace utilizing scale economies among markets with the underlying goal of reducing the cost of gas to ratepayers. Company represents that its provision of the Services to the Cooperative will assist the Cooperative in meeting its objectives.

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 Services 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, Washington Gas Light Company is hereby granted approval of the Services Agreement under the terms and conditions and for the purposes as described herein;

2) That should there be any changes in the terms and conditions from those contained herein, Commission approval shall be required for such changes;

3) That the approval granted herein shall have no ratemaking implications;

4) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the 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

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950028
JUNE 28, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of agreement with Virginia Power Fuel Corporation

ORDER GRANTING APPROVAL

On June 1, 1995, Virginia Electric and Power Company ("Virginia Power," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to enter into an agreement (the "Agreement") with its wholly owned subsidiary, Virginia Power Fuel Corporation ("VP Fuel," "Affiliate"). VP Fuel engages in activities related to the supply of nuclear fuel to Company's four (4) operating units, Surry 1 and 2 and North Anna 1 and 2.

In its application, Company proposes that Affiliate become the supplier of enriched unraniam to Virginia Power for use in the production of electricity at Company's nuclear units. According to the Agreement, VP Fuel will initially purchase the existing supply of Virginia Power's uranium inventories, obtain by assignment, Company's uranium supply, conversion and enrichment contracts and thereafter sell the enriched uranium product to Virginia Power at cost, without a mark-up. VP Fuel will continue to obtain, as required, additional supplies of uranium to fuel the nuclear units and arrange for its conversion, enrichment, and sale to Virginia Power.

As stated in the application, Company has negotiated economically advantageous enrichment services contracts with Urenco Limited, a company established under English law, and its subsidiaries: Urenco (Capenhurst) Ltd., Urenco Deutschland GMBH, and Urenco Nederland BV; and Cogema, Inc., a Delaware corporation wholly owned by Compagnie Generale des Matieres Nucleaires ("Cogema"), a French company.

Company represents that the enrichment services will be provided in facilities located in Great Britain, Germany, France, or The Netherlands. By Affiliate owning the fuel, Company represents that administrative costs such as banking, filing, and legal fees will be eliminated. In addition, administrative burdens on the suppliers will also be reduced.

To effect this transaction, Virginia Power will sell its existing uranium inventories, which may consist of U308, UF6, and enriched UF6 (except for that enriched UF6 owned by Virginia Power and then currently at the fabricator being processed), to VP Fuel. The price will be the price Company paid for that inventory, including all costs then incurred by Virginia Power pursuant to its contracts for conversion and enrichment services in connection with such inventory. The price of the approximately 2.6 million pounds of U308 currently in Virginia Power's inventory is estimated to be approximately $21.3 million. Virginia Power will also assign all of its uranium supply, conversion, and enrichment services contracts to VP Fuel. VP Fuel will thereafter be responsible for fulfilling Virginia Power's requirements for enriched nuclear fuel at the Surry and North Anna units. As with the sale of the existing inventory, the price to Virginia Power for such additional nuclear fuel will be the price paid by VP Fuel for the procurement, conversion, and enrichment services connected with that nuclear fuel. The term of the Agreement will be until the end of the operating lives of the Surry and North Anna units or until September 28, 2014, whichever occurs first. Virginia Power may terminate the Agreement on one (1) day's notice to VP Fuel at which time VP Fuel would be obligated to sell all of its inventories and to assign all of its supply, conversion, and enrichment services contracts to Virginia Power.

To facilitate the initial transaction, VP Fuel will borrow funds from Company to purchase the existing inventory of uranium from Virginia Power and to pay for the cost of conversion and enrichment of that nuclear fuel. This initial transaction and subsequent purchase of uranium and conversion and enrichment services will be financed pursuant to the "Inter-Company Credit Agreement" between Virginia Power and VP Fuel. Pursuant to the Inter-Company Credit Agreement, VP Fuel could borrow up to an aggregate principal amount not to exceed $200 million at any one time. The loan will be a revolving credit arrangement and VP Fuel may repay all or part of the loan at any time without penalty or premium. VP Fuel's obligation to repay the outstanding balance of the loan will be evidenced by a note to Virginia Power. At Staff's request, Company agreed to amend the Inter-Company Credit Agreement to require VP Fuel to repay the outstanding balance upon such payment by Company for enriched nuclear fuel. No interest will be charged for outstanding loans to Affiliate.

Company states in its application that since all transactions will be at cost, with no mark-up, there will be no "profit" included in the sale of nuclear fuel by VP Fuel to Virginia Power. Company, therefore, represents that there will be no subsidization of VP fuel in these transactions.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described affiliate 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, Virginia Electric and Power Company is hereby granted approval of the Agreement between Virginia Electric and Power Company and Virginia Power Fuel Corporation, to include the Inter-Company Credit Agreement, under the terms and conditions and for the purposes as described herein;

2) That should any of the terms and conditions of the Agreement change from those described herein, Commission approval shall be required for such changes;

3) That the approval granted herein is conditioned upon VP Fuel not selling fuel other than to Virginia Power and not processing fuel for other vendors without first obtaining Commission approval;

4) That the approval granted herein shall have no ratemaking implications;

5) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That 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) That, on or before August 31, 1995, Applicant shall file with the Commission a revised executed copy of the Agreement to include the provision that Affiliate be required to repay the outstanding loan balance upon such payment by Applicant for enriched nuclear fuel; and

8) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950030
SEPTEMBER 18, 1995

JOINT APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to transfer utility assets

ORDER GRANTING AUTHORITY

On June 14, 1995, Virginia Electric and Power Company ("Virginia Power"), and Rappahannock Electric Cooperative ("REC"), collectively referred to as Applicants, filed an application with the Commission under the Utility Transfers Act requesting authority to transfer from Virginia Power to REC the substation and distribution facilities serving REC's Rixley delivery point (the "Facilities"). The Facilities to be transferred have been and are currently being used by Virginia Power in connection with the sale for resale of electricity to REC.

As stated in the application, the Facilities will be used by REC in connection with the distribution and sale of electricity to REC retail customers. The sales price for the Facilities is $423,213, which is equal to the present reproduction cost of the Facilities less depreciation as estimated by Virginia Power plus the actual installed cost of the automatic padmount switch plus costs associated with removing the substation transformer.

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 the above-described transfer of utility assets would neither impair nor jeopardize adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Virginia Electric and Power Company is hereby authorized to sell to, and Rappahannock Electric Cooperative is hereby authorized to purchase from, Virginia Electric and Power Company the Facilities as described herein at a price of $423,213;

2) That, on or before November 30, 1995, Applicants shall file a report of the action taken, such report to include the date of transfer, sales price, and the accounting entries reflecting the transaction; and

3) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950031
SEPTEMBER 21, 1995

JOINT APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to transfer utility assets

ORDER GRANTING AUTHORITY

Virginia Electric and Power Company ("Virginia Power"), and Rappahannock Electric Cooperative ("REC"), collectively referred to as Applicants have filed an application with the Commission under the Utility Transfers Act requesting authority to transfer from Virginia Power to REC the Slabtown substation facilities, excluding transformers and metering (the "Facilities"). The Facilities to be transferred have been and are currently being used by Virginia Power in connection with the sale for resale of electricity to REC.

As represented by Applicants, the Facilities will be used by REC in connection with the distribution and sale of electricity to REC retail customers. The sales price for the Facilities is $139,719, which is equal to the present reproduction cost of the Facilities less depreciation as estimated by Virginia Power plus costs associated with removing the transformer. The original cost of the Facilities is $80,037.

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 the above-described transfer of utility assets would neither impair nor jeopardize adequate service to the public at just and reasonable rates and should be approved Accordingly,

IT IS ORDERED:

1) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Virginia Electric and Power Company is hereby authorized to sell to, and Rappahannock Electric Cooperative is hereby authorized to purchase from, Virginia Electric and Power Company the Facilities as described herein at a price of $139,719;

2) That, on or before November 30, 1995, Applicants shall file a report of the action taken, such report to include the date of transfer, sales price, and the accounting entries reflecting the transaction; and

3) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950032
SEPTEMBER 20, 1995

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of a proposed Space Rental Agreement

ORDER GRANTING APPROVAL

On June 15, 1995, United Telephone-Southeast, Inc., ("United", "Company," "Applicant") filed an application with the Commission under the Public Utility Affiliates Act requesting approval of a proposed Space Rental Agreement (the "Agreement") with Sprint Cellular Company. Pursuant to the Agreement, United will lease a small area of advertising/display space in certain United business offices to an affiliated company, Sprint Cellular Company ("Sprint Cellular," "Affiliate").

In its application, United states that Sprint Cellular desires to locate and maintain advertising/display units at some of Company's Business Offices for the purpose of promoting its products and services to the public and to lease from United sufficient space in such Business Offices to accomodate the advertising/display units. United is willing to provide and make available advertising/display space at certain of its Business Offices according to the terms and conditions set forth in the Agreement. Company states that the advertising/display space contemplated by the Agreement involves only nine (9) square feet and will not cause any unreasonable interference with United's service to the public at such Business Office locations. The annual rental of $2,400 was derived through negotiation between the parties and represents what both parties believe to be a fair and reasonable rent. The Agreement is for a period of five (5) years with the right to cancel with sixty (60) days' notice.

THE COMMISSION, upon consideration of the application and reprsentations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Space Rental 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, United Telephone-Southeast, Inc. is hereby granted approval to enter into the Space Rental Agreement under the terms and conditions and for the purposes as described herein;

2) That such approval shall be effective for five (5) years from the date of this Order;

3) That should Applicant desire to continue the Agreement beyond the five (5)-year period approved herein, Commission approval shall be required;

4) That should any of the terms and conditions of the Agreement change from those contained herein, Commission approval shall be required for such changes;

5) That the approval granted herein shall have no ratemaking implications;

6) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

7) That 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

8) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950033
SEPTEMBER 7, 1995

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of a proposed Space Rental Agreement

ORDER GRANTING APPROVAL

On June 15, 1995, Central Telephone Company of Virginia ("Central," "Company," "Applicant") filed an application with the Commission under the Public Utility Affiliates Act requesting approval of a proposed Space Rental Agreement (the "Agreement") with Sprint Cellular Company. Pursuant to the Agreement, Central will lease a small area of advertising/display space in certain Central business offices to an affiliated company, Sprint Cellular Company ("Sprint Cellular," "Affiliate").

In its application, Central states that Sprint Cellular desires to locate and maintain advertising/display units at some of Company's Business Offices for the purpose of promoting its products and services to the public and to lease from Central sufficient space in such Business Offices to accomodate the advertising/display units. Central is willing to provide and make available advertising/display space at certain of its Business Offices according to the terms and conditions set forth in the Agreement. Company states that the advertising/display space contemplated by the Agreement involves only nine (9) square feet and will not cause any unreasonable interference with Central's service to the public at such Business Office locations. The annual rental of $2,400 was derived through negotiation between the parties and represents what both parties believe to be a fair and reasonable rent. The Agreement is for a period of five (5) years with the right to cancel with sixty (60) days notice.

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 Space Rental 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, Central Telephone Company of Virginia is hereby granted approval to enter into the Space Rental Agreement under the terms and conditions and for the purposes as described herein;

2) That such approval shall be effective for five (5) years from the date of this Order;

3) That should Applicant desire to continue the Agreement beyond the five (5)-year period approved herein, Commission approval shall be required;

4) That should any of the terms and conditions of the Agreement change from those contained herein, Commission approval shall be required for such changes;

5) That the approval granted herein shall have no ratemaking implications;

6) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

7) That 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

8) That there appearing nothing further to be done in this matter, the same be, and it hereby it, dismissed.

CASE NO. PUA950034
DECEMBER 6, 1995

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to enter into contract with an affiliate

ORDER GRANTING AUTHORITY

GTE South Incorporated ("Company", "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into a contract with GTE Data Services Incorporated ("GTEDS") for the provision of data processing and related services.

In Case No. 18705, by Order dated July 3, 1969, the Commission approved the initial contract between General Telephone Company of the Southeast (predecessor of GTE South Incorporated) and GTEDS for the provision of data processing and related services. Since that time, Company has provided the Commission with copies of various amendments and modifications to the original contract as such occurred. In Case No. PUA900060, by Order dated December 13, 1990, the Commission approved a new contract (the "Master Agreement") to be effective January 1, 1989. The Master Agreement more accurately described the services to be provided and the technology used to provide such services. It also codified the terms and conditions of the entire agreement between the parties in one inclusive document. Such approval was granted through January 1, 1992. In Case No. PUA920001, Company was granted authority to enter into the Master Agreement for a three (3)-year period ending January 1, 1995.

Company and GTEDS have now determined that it would be beneficial to continue operating under the Master Agreement and request approval to continue operating under the Master Agreement with an effective date of January 1, 1995. Company states that it will continue to provide the Commission copies of any and all amendments to the Master Agreement should such occur.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that GTE South Incorporated should be allowed to continue operating under the Master Agreement as authorized in Case No. PUA920001. The Commission is of the further opinion, however, that the method of pricing the services provided is an issue that should be dealt with in Case No. PUC950019. Accordingly,

IT IS ORDERED:

1) That GTE South Incorporated is authorized to continue to operate under the Master Agreement as described in the application and as authorized in Case No. PUA920001;

2) That the method of pricing services provided to Company shall be dealt with in Case No. PUC950019;

3) That the authority granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes;

4) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56- 80 of the Code of Virginia hereafter;

5) That the Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, 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. PUA950035
SEPTEMBER 27, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to contract for the sale of released pipeline capacity with CNG Energy Services Corporation, an affiliate

ORDER GRANTING AUTHORITY

Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") has filed an application with the Commission under the Public Utility Affiliates Act requesting authority to enter into a contract for the sale of released pipeline capacity with CNG Energy Services Corporation. Company states in its application that, in the course of conducting its planning functions and day-to-day operations related to the purchase of natural gas for delivery to its firm customers, as well as the purchase and utilization of firm pipeline capacity on the various interstate natural gas pipelines on which it has rights to such capacity, VNG is able to determine that certain pipeline capacity is not necessary on a short-term basis to the performance of its public service obligations. Such determinations are based on anticipated system requirements which are in turn a function of the number of customers on its system, the characteristics of their usage, and characteristics of weather for heat sensitive load.

VNG further states that, when it identifies pipeline capacity which is in excess of its system requirements on a temporary basis, and it appears that there exists in the interstate natural gas pipeline marketplace an opportunity to sell the excess capacity to others, Company engages a mechanism for the release and sale of the excess capacity pursuant to capacity release procedures which exist on each interstate pipeline consistent with Federal Energy Regulatory Commission ("FERC") Orders and Regulations.

The mechanism works as follows:

1) VNG identifies capacity which it desires to release by volume and duration of time and notifies potential users of that capacity on a VNG capacity release bidders list of the existence of the excess capacity to be released. VNG may also notify potential shippers of the existence of capacity to be released by posting a notice to that effect on a non-interstate pipeline electronic bulletin board system.

2) In addition to the list of shippers to whom VNG sends invitations to bid, VNG accepts unsolicited bids, if received, from all interested shippers who have been pre-qualified by each interstate pipeline for capacity release transactions on that pipeline.

3) Company analyzes all bids to determine the highest rates obtainable for VNG's excess capacity.

4) VNG selects the highest responsible bidder and enters into an agreement with that shipper to become a "designated replacement shipper" at a pre-arranged price for the capacity to be released by VNG ("capacity release package").

5) VNG posts each capacity release package to the appropriate interstate pipeline electronic bulletin board ("EBB") where, for releases of one month or greater duration, the capacity release packages are then subject to competitive bidding through the EBB operated by the pipeline. Under the pipelines' competitive bidding procedures, the designated replacement shipper has the right to match any competing bid in order to retain the capacity release package offered by VNG or lose the released capacity to a higher bidder. Capacity releases of less than one (1) month duration are posted on the respective pipeline EBB but are not subject to further competitive bidding.

6) Each pipeline awards the released capacity, pursuant to terms and conditions of its FERC-approved tariff, either to the designated replacement shipper with whom VNG has entered into a capacity release package or to another shipper who outbids the designated replacement shipper in the competitive bidding process.

7) VNG determines, through its internal competitive bidding procedures, who receives the released capacity for releases of less than one (1) month duration. VNG does not determine who receives the capacity of one (1) month or greater duration as a result of competitive bidding requirements under the capacity release procedure operated by the interstate pipeline.

8) The interstate pipeline bills the shipper who was awarded the released capacity and credits VNG for a corresponding amount on a subsequent invoice for firm transportation services rendered by that interstate pipeline to VNG. VNG receives no money directly from the shipper to whom the capacity was released, whether that shipper is the designated replacement shipper or a shipper with a successful competing bid.

Company states that FERC altered its capacity release regulations on March 29, 1995, which changed its capacity release regulations to exclude capacity release transactions of one (1) month duration from the competitive bidding requirement. Therefore, once each of the interstate pipelines on which VNG has firm capacity obtains FERC approval of revised tariff sheets reflecting this change, capacity release packages involving release of capacity for one (1) month or less in duration will be exempt from any further competitive bidding via the pipeline EBBs. Capacity release packages involving release capacity for greater than one (1) month duration remain subject to competitive bidding on the pipeline EBBs.

VNG represents that it recently engaged the process described above for release of capacity for the months of April through November, 1995. Energy Services was the highest bidder, and there were no other shippers on VNG's capacity release bid list or others who independently contacted VNG regarding the possibility of acquiring released capacity on the Columbia Gas system interstate pipelines. In addition, VNG engaged the above-described process to release capacity on the Columbia Gas System interstate pipelines only during the month of April, 1995. Energy Services and another non-affiliated shipper represented the highest bidders for the capacity to be released which capacity was sufficient to fulfill both shippers' desired quantities. No other shippers on VNG's capacity release bid list, or others who independently contacted VNG regarding the possibility of acquiring released capacity, were willing to meet or exceed the equal bids of Energy Services and the non-affiliated shipper. Also, VNG engaged the described process for the release of capacity during the month of May, 1995, on the Columbia Gas System interstate pipelines. Energy Services was the highest bidder for the released capacity. No other shippers on VNG's list or others who contacted VNG regarding the capacity were willing to meet or exceed Energy Services' bid.

As stated in the application, VNG posted each of the capacity release packages to the appropriate pipeline EBB. There were no additional bids on the capacity release packages,and they were awarded to Energy Services and the non-affiliated shipper by CNG Transmission Corporation and the Columbia Gas System pipeline.

THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the above described transactions 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, Virginia Natural Gas, Inc. is hereby authorized to select CNG Energy Services Corporation, where appropriate, as a designated replacement shipper for a pre-arranged capacity release package on any interstate pipeline on which VNG has contracted for firm transportation service, and to receive the benefit of having sold its released excess capacity to Energy Services, when such transaction is accomplished according to established, FERC-regulated procedures on each interstate pipeline regarding the sale of released capacity as described herein;

2) That, pursuant to § 56-77 of the Code of Virginia, Virginia Natural, Gas, Inc. is hereby authorized to enter into the specific transactions described herein;

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;

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. PUA950036
NOVEMBER 20, 1995

APPLICATION OF
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.

For modification of its Certificate of Authority to approve its Plan of Refinancing pursuant to the Virginia Highway Corporation Act of 1988

ORDER GRANTING WITHDRAWAL

On July 6, 1995, Toll Road Investors Partnership II, L.P. ("TRIP II" or "the Company") filed an application (the "Application") requesting that the Commission modify the Company's Certificate of Authority either to approve its proposed plan of refinancing or, in the alternative, to find that the proposed plan of refinancing does not raise issues different from those already resolved in Case No. PUA900013, making further Commission approval unnecessary.

On November 15, 1995, the Company, by motion, requested permission to withdraw its Application because it had abandoned its plan to refinance the Dulles Greenway on the basis described in the Application. The Company stated that it continues to be subject to the financing plans previously considered by the Commission in Case No. PUA900013.

The Commission is of the opinion that it is proper to grant the motion. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) TRIP II's request that its Application for refinancing be withdrawn is granted, and the matter is dismissed without prejudice to TRIP II's right to file any subsequent refinancing application.

(2) This matter is hereby dismissed and the papers filed herein shall be placed in the file for ended causes.

Judge Moore took no part in this matter.

CASE NO. PUA950038
DECEMBER 14, 1995

APPLICATION OF
UNITED CITIES GAS COMPANY

For approval of supplemental exhibit to Aircraft Equipment Lease

ORDER GRANTING APPROVAL

By Commission Order dated June 6, 1994, in Case No. PUA930018, United Cities Gas Company ("United Cities," "Company," "Applicant") was granted approval to enter into an Aircraft Equipment Lease (the "Lease") and approval of an Aircraft Equipment Operating Agreement (the "Operating Agreement") with UCG Energy Corporation ("UCG Energy," "Affiliate") for a period of two (2) years from the date of the Order. Company has filed a new application with the Commission under the Public Utilities Affiliates Act for approval of a supplemental exhibit to the Lease.

Company states in its current application that in order to maintain and operate the aircraft in a safe and efficient manner, it was necessary to overhaul the engines. United Cities states in its application that the aircraft has two (2) Pratt and Whitney PT6A-41 turboprop engines. As required by the engine manufacturer and approved by the Federal Aviation Administration, the engines are required to be overhauled at 3,000 hours maximum time. Company represents that the overhaul facility that did the work was chosen from among three (3) qualified companies. The cost of overhauling the engines was $396,603. Company requests approval to include the engine overhaul cost in the lease payment. The lease payment will be calculated to amortize the cost over the remaining life of the lease, or through May 11, 2000. Company states that there will be no mark-up to the lease payments. The payments to UCG Energy by United Cities will be the same that UCG Energy pays to First American Bank. Company has provided a revised lease versus buy analysis that shows the net present value of the lease to be $860,381 while the net present value of utility ownership is $1,150,079.

It its application, Company states that it plans to continue to track carefully the use and purpose for which its employees and officers utilize the aircraft. Company will directly assign and allocate to Virginia only its appropriate share of the cost of the aircraft.

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 approval of the above-described supplemental exhibit to the Lease approved in Case No. PUA930018 would be in the public interest. However, to ensure that the public interest is protected, the actual charges for the overhaul to be allocated to United Cities in the form of increased lease payments should be charged based on actual hours flown during the lease term as a percentage of the 3,000-hour overhaul interval. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, United Cities is hereby granted approval of the Supplemental Exhibit A to the Lease approved in Case No. PUA930018 to incorporate the cost of overhauling the engines in the original lease payment as described herein;

2) That the actual allocation of such costs of overhauling the engine to be included in lease payments made to Affiliate shall be based on the actual hours the aircraft has flown as a percentage of the 3,000 hours between overhauls;

3) That should any terms and conditions of the Supplemental Exhibit A change from those described herein, Commission approval shall be required for such changes;

4) That the approval granted herein shall in no way be deemed to include approval of recovery of any costs or charges for ratemaking purposes;

5) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That the Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia;

7) That Applicant shall continue to file a Report of Action as ordered in the Commission's Order dated June 6, 1994, in Case No. PUA930018;

8) That Applicant's Report of Action required pursuant to the Commission's Order dated June 6, 1994, in Case No. PUA930018 include the revised lease payments (overhaul costs) approved herein in its cost comparisons;

9) That all other provisions of the Commission's June 6, 1994 Order in Case No. PUA930018, not modified herein, shall remain in full force and effect; and

10) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950039
SEPTEMBER 22, 1995

APPLICATION OF
UNITED CITIES GAS COMPANY

For approval of lease agreement with affiliate

ORDER GRANTING APPROVAL

On July 28, 1995, United Cities Gas Company ("United Cities," "Company," "Applicant") filed an application with the Commission under the Public Utility Affiliates Act requesting approval to enter into a real property lease agreement (the "Agreement") with its affiliate, UCG Energy Corporation("Energy," "Affiliate"). The Agreement is to be effective after Commission approval is obtained. Under the Agreement, United Cities will lease certain premises together with appurtenances, including the right to use, in common with others, the lobbies, elevators, and other common areas of the building of which the leased premises are a part. The space is located in Hannibal, Missouri, and will be used as the local town service center.

As indicated in the application, the term of the proposed Agreement is for twenty-five (25) years. The annual basic rental will be $39,150.00. Upon expiration of the original term, the lease grants renewal or extension upon such terms and conditions as mutually agreed upon by the parties. United Cities states that it will not allocate any of the expenses to Virginia ratepayers. The new service center in Hannibal, Missouri, is necessary due to the condemnation of the old service center because of flooding.

Company represents that the lease payments are very favorable to United Cities and are equal to or less than the market rental rate. To support its application, Company has provided calculations to show the total revenue requirement of leasing as $1,302,696 compared to $1,794,887 for ownership. The net present value of leasing is shown as $441,443 compared to $693,988 for ownership. Company also provides a comparison with a third party lease which shows a revenue requirement of $1,589,944 and a net present value of $500,663. As part of its application, Company has provided support that the proposed lease rate is consistent with the market rental rate.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Lease 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, United Cities Gas Company is hereby granted approval of the Lease Agreement with UCG Energy Corporation under the terms and conditions and for the purposes as described herein;

2) That should any of the terms and conditions of the Lease Agreement change from those contained herein, Commission approval shall be required;

3) That, as represented by Applicant in its application, no expenses related to the Lease Agreement shall be allocated to Virginia ratepayers;

4) That the approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the 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

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA950042
DECEMBER 12, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to dispose of utility assets

ORDER GRANTING AUTHORITY

The Potomac Edison Company ("PE," "Company," "Applicant") has filed an application with the Commission under the Utility Transfers Act for authority to transfer utility assets. PE owns and operates its Luray Service Center on 1.36 acres of land located along Mechanic Street in Luray, Virginia. The Virginia Department of Transportation ("VDOT") plans to improve Mechanic Street and to accomplish such improvements requires that PE sell to it .02 acres of ground at the northeast corner of the property together with associated temporary construction easements.

As stated in the application, Company and VDOT have entered into an Option Agreement dated December 7, 1994, which grants to VDOT the right, within one (1) year, to purchase the .02 acres in question together with certain construction easements for $2,220.00. Company states that the .02 acres has a book value of $103.09 and an estimated market value of $400.00 based on its assessed value. Company represents that the planned changes to Mechanic Street will improve access to Company's Luray Service Center.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described sale of utility assets at the price of $2,220.00 to the Virginia Department of Transportation 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:

1) That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Applicant is hereby authorized to sell the utility assets as described herein to VDOT under the terms and conditions and for the purposes as described herein;

2) That the authority granted herein shall have no ratemaking implications;

3) That Applicant shall file a Report of Action pursuant to the authority granted herein on or before February 29, 1996, such report to include the date of sale, price, and the accounting entries reflecting the transaction; and

4) That this matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA950049
DECEMBER 5, 1995

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 October 16, 1995, Old Dominion Electric Cooperative ("ODEC," "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 One (1) and certain common facilities.

Old Dominion Electric Cooperative represents that it owns facilities within the Commonwealth of Virginia for the generation of electric energy for sale, including a fifty percent (50%) undivided ownership interest in two (2) 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 (1) achieved commercial operation on October 7, 1995, and Clover Unit Two (2) is under construction. 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.

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 (50%) undivided interest (the "Undivided Interest") in Clover Unit One (1) and certain common facilities (the "Facility") to a tax-sensitive investor (the "Investor"), while retaining operation control over the Undivided Interest by simultaneously entering into a leaseback of the Undivided Interest.

The proposed transaction will be structured as a lease and leaseback. Pursuant to this structure, title to the Facility does not pass, 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.

ODEC further represents in its application that during the entire term of the proposed transaction, ODEC will retain both title ownership of the Undivided Interest and, at least for the first twenty-three (23) years of the transaction, actual control over the Undivided Interest. Company states that the proposed transaction is in the public interest. Depending on the appraised value of the Undivided Interest, ODEC will realize a cash benefit of between $17 million and $25 million. ODEC represents that this will reduce its 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 (2)-unit, coal-fired, steam electric generating facility. ODEC and Virginia Electric and Power Company ("Virginia Power") each owns a fifty percent (50%) 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 one hundred ten percent (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, subject to the Clover ownership and operating agreements between ODEC and Virginia Power (the "Clover Agreements"), a leasehold interest constituting ownership for income tax purposes. To satisfy requisite federal income tax requirements, the Head Lease will contain evergreen renewal rights for renewal terms equal to at least one hundred ten percent (110%) of the then estimated useful life of the Facility.

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 Investor simultaneously will reassign to ODEC all such interest in the Clover Agreements for the term of the Head Lease, which reassignment will be terminable by the Investor upon termination of the Operating Lease (whether upon expiration or early termination).

Legal title to the Undivided Interest (other than assets subject to the Dutch Lease previously authorized by the Commission) will continue to be vested in ODEC throughout the term of the Head Lease. The interest of the Investor under the Head Lease will at all times remain subject to the lien of the ODEC Indenture on the Undivided Interest 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 $300 million and $400 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 the Investor contributing at least ten percent (10%) of the Facility Cost with ninety percent (90%) or less to be borrowed on a non-recourse basis by the Investor. Up to ninety percent (90%) of the loans will be provided by ODEC or a related entity with the remaining ten percent of the loans provided by a third-party lender unrelated to ODEC. The loans will be secured under a trust indenture (the "Lease Indenture") with a security interest in the Investor's interest in the Head Lease, the Clover Agreements, and the Operating Lease and all payments of rent thereunder.

As stated by ODEC, under the Operating Lease, the Investor will sublease the Undivided Interest to Company for a term beginning on the closing date and extending for a term not to exceed twenty-three (23) years. ODEC will pay to the Investor semi-annual or annual 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 Investor's leasehold interest in the Head Lease and terminate the Operating Lease by paying on any rent payment date the higher of the fair market value or a predetermined amount sufficient to pay off the loan and maintain the Investor's net economic return (the "Termination Value"). This would 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 associated with the exercise of its rights under the previously described buyout provision. The Operating Lease also provides for termination for obsolescence and describes events of loss and events of default.

As indicated in the application, assuming that ODEC has not otherwise acquired the Investor's leasehold interest prior to the end of the Operating Lease term, at the end of the Operating Lease term, ODEC will acquire the Investor's leasehold interest in the Undivided Interest under the remaining term of the Head Lease 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"); or arrange one (1) or more wholesale power agreements with entities which agreements constitute service contracts within the meaning of Section 7701(e) of the Internal Revenue Code; or pay the Investor a predetermined liquidated damage amount, after which the Investor will retain possession and control of the Undivided Interest under the Head Lease. If ODEC does not affirmatively exercise one of the options described, it will be deemed to have exercised the last option described.

At the end of the Operating Lease term, in any circumstances in which possession and control of the Undivided Interest is delivered to the Investor, ODEC will be required to relinquish possession of the Undivided Interest free and clear of liens other than liens which ODEC is not required to discharge under the Operating Lease, which includes the lien of the ODEC Indenture. 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 Investor's prepayment of rent under the Head Lease to establish a deposit with a financial institution having a credit rating of investment grade or better. This deposit will be sufficient to pay the "free cash" portion of the Basic Rent and the "free cash" portion of the Purchase Option Price. ODEC will pledge the deposit to the Investor to secure its obligations to the Investor under the Operating Lease to pay the Basic Rent, the Termination Value, and the Purchase Option Price.

ODEC will, also from the Investor's prepayment of rent, place a deposit with an affiliate of the lender of the ten percent (10%) referred to earlier sufficient to pay that portion of the Basic Rent and the Purchase Option Price under the Operating Lease corresponding to the obligations under the loan. ODEC may pledge the deposit to the Investor to secure its obligations under the Operating Lease. The Investor, in turn, may pledge the deposit to the lender to secure the loan. Alternatively, the deposit would not be pledged and repledged as previously described. Instead, ODEC would agree with the lender not to withdraw such deposits until the loan is discharged. Although the above-referenced deposits will be invested in a manner designed to predict their yield, ODEC will be responsible for any shortfall in these deposits.

Under the Operating Lease, ODEC will make payments to the Investor sufficient to indemnify, on an after-tax basis, the Investor and its affiliates for any loss, damage, cost, claim, or expense which may be imposed on or asserted against such indemnified party arising from certain occurrences as enumerated in the application. Moreover, the Investor may demand that Company purchase the Investor's interest in the Undivided Interest in the event that the Investor or its affiliate is declared to be a public utility as a result of its participation in the transaction.

Company 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 $17 million and $25 million. ODEC indicates that the gain will be used to enhance its

equity and reduce its revenue requirements. ODEC represents that 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 rights under 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:

1) That, 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) That, on or before February 29, 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; and

3) That this matter shall be continued generally subject to the continuing review and appropriate directive of this Commission.

CASE NO. PUA950066
DECEMBER 13, 1995

APPLICATION OF
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.

For a Reduction in Toll Rates

FINAL ORDER

On December 12, 1995, Toll Road Investors Partnership II, L.P. ("the Company" or "TRIP II"), by counsel, filed an application ("Application") requesting that the Commission modify the tariff of the Dulles Toll Road Extension Project (the "Dulles Greenway") to permit a delay in the implementation of toll increases currently scheduled to take effect on January 1, 1996. As the proposed revision reduces rates and tolls from levels currently authorized, the Company seeks authority to implement its new tariffs by January 1, 1996, without notice, pursuant to Virginia Code § 56-40.

On September 28, 1995, the Company filed, and the Commission accepted, a tariff of toll rates for the Dulles Greenway pursuant to Virginia Code § 56-543(B)(1). This tariff included a schedule of tolls, with the maximum rate set at $1.75 which was effective through December 31, 1995, and a second set of tolls, with a maximum rate set at $2, to become effective starting January 1, 1996, through December 31, 1997. In the Application, TRIP II seeks to change its tariff to permit it to maintain the current toll schedule past December 31, 1995, until such a time when it decides to implement the rate increase. When it decides to implement the rate increase, the Company proposes to file with the Commission a revised tariff setting forth the effective date of the increase no less than thirty (30) days prior to the proposed effective date of the increase. In support of the Application, TRIP II states that the delay in the increase in rates is necessary to attract and maintain optimal ridership levels on the Dulles Greenway. Virginia Code § 56-40 grants the Commission the authority to permit proposed revisions of rates to be put into effect without notice when the proposed revision effects no increases.

NOW THE COMMISSION, having considered the Application and the applicable law, is of the opinion and finds that the proposed revision to the tariff is acceptable under Virginia Code § 56-543(B)(1) and is consistent with the intent of the certificate of authority which we previously issued. Since the Company is maintaining current rates which effect no increases, pursuant to Virginia Code § 56-40, this change in the tariff shall be implemented by January 1, 1996, without notice to the public. If the Company chooses to implement the authorized rate increase, it shall file with the Commission a revised tariff schedule setting forth the effective date for the increase no less than thirty (30) days prior to the proposed effective date of the increase. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The revised tariff that the Company filed with its Application is accepted under Virginia Code § 56-543(B)(1) and pursuant to Virginia Code § 56-40 shall be implemented, without notice, by January 1, 1996.

(2) If the Company chooses to implement the previously authorized rate increase, it shall file with the Commission a revised tariff schedule setting forth the effective date of the increase no less than thirty (30) days prior to the proposed effective date for the increase.

(3) This matter shall be dismissed and placed in the Commission file for ended causes.

Judge Moore took no part in this matter.

DIVISION OF COMMUNICATIONS

CASE NO. PUC850035
JULY 24, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Investigation of competition for intraLATA, interexchange telephone service

ORDER IMPLEMENTING PHASE TWO OF INTERIM ORDER OF JUNE 30, 1986

Pursuant to our order of January 18, 1995, the Commission received comments from 18 parties concerning the Commission's Interim Order of June 30, 1986 ("Interim Order"). The Interim Order adopted a three phase approach to eventual intraLATA competition, as proposed in the Staff's Position Report of December 2, 1985, and maintained Phase One, which retained LATAs as the exclusive territory of the local exchange companies ("LECs").

Based upon these comments, and in light of changing conditions in the telephone industry, the Commission has determined that it is in the public interest to remove the Phase One restrictions effective October 1, 1995, in a manner consistent with Phase Two of the Interim Order. Recently, the Commission has seen an increase in consumer awareness and inquiries regarding the unavailability of intraLATA competition in Virginia. In addition, the Commission does not believe the LECs will incur financial harm as a result of intraLATA competition as adopted in this Order.

The Commission recognizes that the Bell Operating Companies ("BOCs") and the General Telephone Operating Companies ("GTOCs") are still prohibited by federal consent decrees from engaging in interLATA, interexchange telephone service. However, there are indications that these restrictions may remain in place until the courts or Congress are satisfied that there is competition in the local exchange markets controlled by the BOCs and GTOCs. In light of recent developments, the Commission believes that allowing intraLATA competition now may hasten the day when interLATA restrictions are lifted from the BOCs and the GTOCs.

Rule 2 of the Commission's Rules Governing the Certification of InterLATA, Interexchange Carriers promulgated in Case No. PUC840017 by Final Order dated June 29, 1984, and as modified by Final Order of August 7, 1989, in Case No. PUC890012 ("Rules"), will be modified to delete the fourth, fifth, and sixth sentences. The deleted language prohibited interexchange carriers ("IXCs") from offering intraLATA calling; provided that incidental, intraLATA traffic must either be blocked or that the LEC be compensated for lost revenues; and required that certificate applications by IXCs include a plan for either blocking or paying for incidental intraLATA traffic. Further, Rules 4, 6, 7, 9, and 10, and the title of the Rules, will be revised to delete the term "Inter-LATA."

Existing IXC certificates will be deemed modified, effective October 1, 1995, so that certificated IXCs will be authorized to provide all interexchange services, not just interLATA, interexchange services.

Presubscription will not be imposed during Phase Two. Thus, traditional intraLATA Message Telecommunications Service/Wide Area Telecommunications Service ("MTS/WATS") traffic that originates by dialing "1+" or "0" will remain with the LECs. Those customers desiring to complete intraLATA toll calls with a carrier other than their LEC may do so by different access arrangements, such as "10XXX" dialing, "950" dialing, "1-800" dialing, or others.

With the implementation of Phase Two, the Commission recognizes that IXCs may gain some marketing advantage because of their ability to package both interLATA and intraLATA services. However, the denial of intraLATA 1+ presubscription at this time should counter balance any such possible inequity for the LECs in the intraLATA marketplace. A prohibition on the joint marketing and packaging of competitors' interLATA and intraLATA services would only serve to thwart the very consumer benefits that can be obtained from the expansion of intraLATA competition. To the extent the LECs may desire to better position themselves in a more competitive marketplace, they may file with the Commission, pursuant to the applicable regulatory plans, for competitive treatment of any of their intraLATA toll services.

The Commission has considered the comments concerning the Originating Responsibility Plan ("ORP") and access charges and finds no reason to change the existing arrangements at this time. However, the language in the LECs' interLATA access tariffs should be modified to cover intraLATA applications.

Opening the intraLATA interexchange toll markets to competition shall in no way preclude the expansion of local calling areas pursuant to Article 4 of Chapter 15, Title 56 of the Virginia Code.

During Phase Two, all certificated providers must continue to file tariffs for their intrastate, interexchange services. We will not adopt the LEC rate cap provision of Phase Two. Instead, existing pricing provisions will apply pursuant to the regulatory plans and regulations applicable to each LEC. LECs will not be allowed to abandon any toll routes, and reports will be required in order to monitor intraLATA markets. Accordingly,

IT IS, THEREFORE, ORDERED:

(1) That the Phase One restrictions on IXCs offering interLATA telephone services are eliminated, and Phase Two, as modified herein, is implemented as of October 1, 1995;

(2) That on and after October 1, 1995, intraLATA toll services may be offered in compliance with the conditions described above;

(3) That Rules Governing the Certification of Interexchange Carriers, amended as described above and contained in Attachment A, are adopted effective October 1, 1995;

(4) That LECs file revisions to their interLATA access tariffs to expand coverage to include intraLATA applications; and

(5) That this matter is continued generally pending further Commission order.

Commissioner Moore did not participate in this matter.

NOTE: A copy of Attachment A entitled "Rules Governing the Certification of Interexchange Carriers" 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. PUC860013
JUNE 13, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC. (Formerly the Chesapeake and Potomac Telephone Company of Virginia)

For approval of experimental tariff in its Norfolk LATA

FINAL ORDER

By Order of June 21, 1988, the Commission directed Bell Atlantic-Virginia, Inc. ("BA-VA," formerly the Chesapeake and Potomac Telephone Company of Virginia) to keep its experimental "Hour Plus Plan" in effect and available to new subscribers until such time as the experiment could be appropriately ended. On September 30, 1988, BA-VA filed tariffs that expanded its Optional Toll Calling Plans and froze the offering of "Hour Plus" to those subscribers as of that date.

By Motion to Close Case filed on December 15, 1994, the Company informed the Commission that the expansion of its local calling routes in the Norfolk LATA had greatly reduced the need for Optional Toll Calling Plans in that area. Many customers now enjoy local calling between the Norfolk exchanges and the contiguous exchanges on the Peninsula. The Motion states that the number of subscribers taking "Hour Plus" service has now declined from 1815 to about 425. BA-VA requested that the experiment be declared completed with "Hour Plus" service being available only for those customers presently subscribing to it.

The Commission is of the opinion that the Motion should be granted. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the experimental offering of BA-VA's "Hour Plus Plan" in the Norfolk LATA is hereby concluded and the service shall be continued only for its current subscribers; and

(2) That there being nothing further to come before the Commission, this case is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC880042
DECEMBER 8, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of pricing methodologies for intrastate access service

ORDER APPROVING TARIFF REVISIONS

On June 22, 1995, the Central Telephone Company of Virginia ("Centel") filed revised tariff pages for a change in access rates for High Capacity DS-1 service. By Order entered August 10, 1995, the Commission prescribed notice for Centel to mail directly to its customers of that service. Comments were invited to be filed on or before September 18, 1995.

That date has passed and no comments or requests for hearing were received about the proposed changes. Based upon the application's statement that the revisions mirror the interstate tariff structure and rates on file with the Federal Communications Commission and the lack of objections or requests for hearing, the Commission is of the opinion that the proposed revisions should be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The access service tariff revisions proposed by Centel for High Capacity DS-1 service are allowed to take effect as proposed.

(2) This case is continued generally for consideration of any other access pricing matters.

Commissioner Moore did not participate in this matter.

CASE NO. PUC890014
MARCH 2, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of allocating costs pursuant to paragraph 22 of the Experimental Plan for Alternative Regulation of Virginia Telephone Companies

FINAL ORDER

This docket was established March 31, 1989, in order to establish methods for the allocation of costs pursuant to paragraph 22 of the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies ("Experimental Plan"). The Plan was established by Final Order of December 15, 1988, in Case No. PUC880035, Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of promulgating an experimental plan for the optional regulation of telephone companies, 1988 S.C.C. Ann. Rept. 249. The Experimental Plan was concluded December 31, 1993, pursuant to Final Order of December 17, 1993, in Case No. PUC920029, Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of evaluating the Experimental Plan for Alternative Regulation of Virginia Telephone Companies, 1993 S.C.C. Ann. Rept. 212. That same Final Order adopted the Modified Plan effective January 1, 1994. The Modified Plan incorporated the same cost allocations as in the Experimental Plan.

The Commission's April 17, 1990 Order in this case approved the participating companies' Cost Allocation Manuals ("CAMs") with the condition that they produce a reasonable assignment of costs to Actually Competitive services. This was to be determined by evaluating the 1989 Annual Informational Filings ("AIFs"). Each 1989 AIF has been evaluated and found to contain a reasonable assignment of costs to Actually Competitive services. The 1990 and 1991 AIFs have also been similarly evaluated. Moreover, the Commission's Final Order of October 18, 1994, in Case No. PUC930036, Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of investigating telephone regulatory methods pursuant to Virginia Code § 56-235.5, etc., established revised Cost Allocation Principles and Guidelines. (See Attachment 1 of that Order.)

The Commission is of the opinion that this matter may be closed. In doing so, the Commission will direct the five participating companies to file their CAMs in the dockets established for AIFs for the test years 1992, 1993, and 1994. For example, Bell Atlantic-Virginia, Inc. will file its CAM for test year 1992 in Case No. PUC930002. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the five local exchange telephone companies who participated in the Experimental Plan for Alternative Regulation of Virginia Telephone Companies and in the Modified Plan for Alternative Regulation of Virginia Local Exchange Telephone Companies file their CAMs for test years 1992, 1993, and 1994 in the AIF docket established for each of those test years; and

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

Commissioner Moore took no part in this matter.

CASE NO. PUC900029
OCTOBER 10, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of implementing dual-party relay service pursuant to Article 5, Chapter 15, Title 56 of the Code of Virginia

DISMISSAL ORDER

By order of October 5, 1990, the Commission directed each local exchange company ("LEC") to impose a monthly surcharge on each access line or equivalent Centrex line and directed that the revenues be paid over to the Commission's Division of Public Service Taxation, less a three percent commission as authorized by Va. Code § 56-484.6B. That order also (1) directed the Commission's Division of Communications to monitor the monthly expenses associated with providing the relay service to assure that the revenue received from the LECs was sufficient to cover the costs of that service, (2) prescribed at least a forty percent direct distance dialed discount for daytime calls placed through the Relay Center and at least a sixty percent discount for evening, night, weekend, and holiday periods, and (3) instructed the LECs to place information about the Relay Center in their published white page directories. This proceeding has been continued generally to address any additional concerns in the operation of the relay service.

No major problems have arisen which necessitate an open docket for the relay service. Problems that might arise in the future can be addressed on an ad hoc basis with the establishment of a new docket if necessary. Accordingly,

IT IS ORDERED THAT:

(1) All Virginia LECs continue to comply with the order of October 5, 1990. All reports or information required by that order or needed by the Commission's Divisions of Public Service Taxation or Communications concerning the Virginia Relay Center shall be submitted to those divisions.

(2) This matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC920008
FEBRUARY 13, 1995

APPLICATION OF
GTE SOUTH, INC.

Annual Informational Filing

FINAL ORDER

On November 23, 1994, GTE South, Inc. ("GTE South") filed its Motion to Make Rates Permanent for the 1991 test year being considered in this Annual Informational Filing ("AIF"). That Motion responded to an AIF Report filed by the Commission Staff September 26, 1994, which indicated that GTE South had earned a return on equity of 8.41% during 1991. The Staff Report also made recommendations and proposed changes to be adopted and incorporated into future allocations and AIFs.

By Order of December 2, 1994, as amended by Order of December 13, 1994, the Commission prescribed notice and invited comments or requests for hearing concerning GTE South's motion. Comments or requests for hearing were to be filed on or before January 23, 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 of September 26, 1994, the Commission has determined that said 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 GTE South earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic services for the year 1991. 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's September 26, 1994 Report shows an earned return on equity for 1991 of 8.41%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1991 test year, GTE South earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That GTE South's tariffed rates for the year 1991 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) That GTE South implement the recommendations and proposed changes in the Staff Report of September 26, 1994; and

(3) That there being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC920010
FEBRUARY 13, 1995

APPLICATION OF
GTE SOUTH, INC. (formerly Contel of Virginia, Inc., d/b/a GTE Virginia)

Annual Informational Filing

FINAL ORDER

On November 23, 1994, GTE South, Inc. (formerly Contel of Virginia, Inc., d/b/a GTE Virginia, hereafter, "GTE Virginia" or "the Company") filed its Motion to Make Rates Permanent for the 1991 test year being considered in this Annual Informational Filing ("AIF"). That Motion responded to an AIF Report filed by the Commission Staff September 26, 1994, which indicated that GTE Virginia had earned a return on equity of 11.04% during 1991. The Staff Report also recommended that several cost allocation changes and revisions be adopted and incorporated into future allocations and AIFs.

By Order of December 2, 1994, as amended by Order of December 13, 1994, 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 January 23, 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 of September 26, 1994, the Commission has determined that said 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 GTE

Virginia earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic services for the year 1991. 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's September 26, 1994 Report shows an earned return on equity for 1991 of 11.04%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1991 test year, GTE Virginia earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That GTE Virginia's tariffed rates for the year 1991 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) That GTE Virginia implement the changes proposed in the Staff Report of September 26, 1994; and

(3) That there being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC920012
FEBRUARY 13, 1995

APPLICATION OF
THE CENTRAL TELEPHONE COMPANY OF VIRGINIA

Annual Informational Filing

FINAL ORDER

On November 3, 1994, The Central Telephone Company of Virginia ("Centel" or "the Company") filed its Motion to Make Rates Permanent for the 1991 test year being considered in this Annual Informational Filing ("AIF"). That Motion was filed in response to an AIF Report filed by the Commission Staff September 26, 1994, which indicated that Centel had earned a return on equity during 1991 of 8.17% if certain affiliate arrangements are included within the calculation and 12.43% if those affiliate arrangements are excluded from the calculation. The Staff Report also recommended that several cost allocation changes and revisions be adopted and incorporated into future allocations and AIFs.

By Order of November 29, 1994, the Commission prescribed notice and invited comments or requests for hearing concerning Centel's motion. Comments or requests for hearing were due on or before January 9, 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 of September 26, 1994, the Commission has determined that said 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 1991. 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 A) of the Staff's September 26, 1994 Report shows an earned return on equity for 1991 of no more than 12.43%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1991 test year, Centel earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Centel's tariffed rates for the year 1991 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) That Centel implement the changes proposed in the Staff Report of September 26, 1994; and

(3) That there being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC920014
FEBRUARY 13, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC. (formerly The Chesapeake and Potomac Telephone Company of Virginia)

Annual Informational Filing

FINAL ORDER

On November 28, 1994, Bell Atlantic-Virginia, Inc. (formerly The Chesapeake and Potomac Telephone Company of Virginia, hereafter "BA-VA") filed its Motion to Make Rates Permanent for the 1991 test year being considered in this Annual Informational Filing ("AIF"). That Motion was filed in response to an AIF Report filed by the Commission Staff November 22, 1994, which indicated that BA-VA had earned a return on equity during 1991 of 9.57%. The Staff Report also recommended that several cost allocation changes and revisions be adopted and incorporated into future allocations and AIFs.

By Order of November 29, 1994, 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 January 9, 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 of November 22, 1994, the Commission has determined that said 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 1991. The authorized range of return on equity prescribed by paragraph 18 of the Experimental Plan was 12-14%. The Staff's November 22, 1994 Report shows an earned return on equity for 1991 of 9.57%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1991 test year, BA-VA earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That BA-VA's tariffed rates for the year 1991 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) That BA-VA implement the changes proposed in the Staff Report of November 22, 1994; and

(3) That there being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC920018
FEBRUARY 13, 1995

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST

Annual Informational Filing

FINAL ORDER

On December 8, 1994, United Telephone-Southeast ("United" or "the Company") filed its Motion to Make Rates Permanent for the 1991 test year being considered in this Annual Informational Filing ("AIF"). That Motion responded to an AIF Report filed by the Commission Staff September 26, 1994, and supplemented November 30, 1994. The November 30, 1994 Staff Report indicated that United had earned a return on equity during 1991 of 11.34%. In addition, both reports recommended that several cost allocation changes and other revisions be adopted and incorporated into future allocations and AIFs.

By Order of December 14, 1994, 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 January 23, 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 of September 26, 1994, as supplemented November 30, 1994, 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 United earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic services for the year 1991. 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's November 30, 1994 Report shows an earned return on equity for 1991 of 11.34%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1991 test year, United earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That United's tariffed rates for the year 1991 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) That United implement the changes proposed in the Staff Reports of September 26, 1994 and November 30, 1994; and

(3) That there being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC920026
OCTOBER 25, 1995

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

To change its tariff regulations governing termination of its complex network wiring in business buildings or campuses constructed prior to May 1, 1986

DISMISSAL ORDER

On May 1, 1992, the Chesapeake and Potomac Telephone Company of Virginia ("C&P" or "Company"), now known as Bell Atlantic-Virginia, Inc. ("BA-VA") filed its application to change its tariff regulations governing termination of its network wiring of three or more lines in multi-occupancy, multi-story buildings, malls, or campuses constructed prior to May 1, 1986. By order of May 19, 1992, the Commission directed BA-VA to directly mail notice to the 204,744 business customers that might be affected by the tariff change.

By order of August 3, 1992, the Commission authorized BA-VA's tariff to take effect and continued this matter generally while the Division of Communications monitored implementation of the tariff revisions. At the time the tariff revisions took effect three years ago, the Division of Communications received inquiries but nothing required further proceedings. The Commission is of the opinion that this matter may now be dismissed. Accordingly,

IT IS THEREFORE ORDERED THAT this docket is dismissed and the papers accumulated herein shall be placed in the file for ended causes.

CASE NO. PUC930033
MARCH 1, 1995

APPLICATION OF
HIGHLAND CELLULAR, INC.

For a certificate of public convenience and necessity to operate a Cellular Mobile Radio Communications System in Virginia Rural Service Area 2

ORDER AUTHORIZING WITHDRAWAL OF APPLICATION

On November 8, 1993, Highland Cellular, Inc. ("Highland" or "the Company") filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide cellular mobile radio communications services in Virginia Rural Service Area 2 ("Virginia RSA 2"). This matter was pended at Highland's request because of litigation between Highland and JMW, Inc., the entity authorized by the Federal Communications Commission ("FCC") to provide cellular service in Virginia RSA 2.

On February 24, 1995, Highland, by counsel, filed a Motion with the Commission to dismiss the captioned application without prejudice. This Motion alleged that the litigation between JMW, Inc. and Highland had been resolved in favor of JMW, Inc. and that the parties had entered into a subsequent settlement agreement. Among other things, the settlement provided for the separation of Bland and Tazewell Counties from the original Virginia RSA 2 and assignment of these counties to Highland.

The Motion also stated that the remainder of the original RSA 2 was to be assigned to United States Cellular Corporation ("USCC") under the terms of the settlement. It maintained that an application has been or would be filed with the FCC requesting the FCC's consent for the assignment to USCC of this service area. The Company alleged in its Motion that the Highland/JMW, Inc. settlement was not contingent upon the assignment of the remainder of the Virginia RSA 2 to USCC.

While the captioned application was pending, Congress amended the Communications Act of 1934, 47 U.S.C. § 332(c)(3), to preempt state regulation of entry into commercial mobile radio communications services ("CMRS").

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that Highland should be permitted to withdraw its application and that this matter should be dismissed without prejudice.

Accordingly, IT IS ORDERED that Highland is authorized to withdraw its application; and that this matter is hereby dismissed without prejudice from the Commission's docket of active cases.

CASE NO. PUC940003
APRIL 12, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC. (formerly the Chesapeake & Potomac Telephone Company of Virginia)

To implement a local calling plan in Bell Atlantic exchanges in the Roanoke and Culpeper LATAs

FINAL ORDER

On November 4, 1994, the Commission entered its order directing that Bell Atlantic-Virginia, Inc. ("BA-VA") conduct a binding poll by mailing ballots to all of its subscribers in its Pulaski, Dublin and Pearisburg exchanges to determine if subscribers in those three exchanges wished to have expanded local calling. As directed by that order, BA-VA has tabulated the responses received and on March 6, 1995, reported that the proposal passed in Pearisburg, but failed in the Dublin and Pulaski exchanges. Of the 2,054 ballots returned in the Dublin exchange, 1,426 were unfavorable, and in Pulaski, 2,270 of 3,166 ballots returned were unfavorable.

Because the polls showed a lack of public support in those two exchanges and because the service can only be two-way, expanded local calling among the three exchanges will not be implemented at this time. Accordingly,

IT IS THEREFORE ORDERED:

(1) That BA-VA's proposal to expand local calling among its Pulaski, Dublin and Pearisburg exchanges is not approved and shall not be implemented at this time; and

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

CASE NO. PUC940038
JANUARY 18, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Lynchburg Exchange to the Altavista Exchange of the Central Telephone Company of Virginia

FINAL ORDER

On September 13, 1994, Bell Atlantic-Virginia, Inc. (formerly the Chesapeake and Potomac Telephone Company of Virginia, hereafter "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 Lynchburg subscribers about the increases in monthly rates that would be necessary to extend their local service to include the Altavista exchange of the Central Telephone Company of Virginia ("Centel"). By Order of October 5, 1994, the Commission directed BA-VA to publish notice about the proposed increase. Comments or requests for hearing were due on or before November 28, 1994.

On December 12, 1994, 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 concerning the proposal had been received from the Lynchburg exchange. The Commission has determined that, pursuant to the provisions of § 56-484.2.A of the Code of Virginia, no poll was required of the Lynchburg exchange because the proposed residential rate increase in that exchange is solely due to regrouping. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Lynchburg exchange, § 56-484.2.C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the proposed extension of local service from BA-VA's Lynchburg exchange to the Altavista exchange of the Central Telephone Company of Virginia may be implemented in a manner suitable to the two companies;

(2) That the two companies implement the tariff revisions necessary for the proposed extension of local service; and

(3) That there being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC940042
MARCH 16, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Staunton Exchange to the Raphine Exchange of GTE South, Inc.

FINAL ORDER

On November 10, 1994, Bell Atlantic-Virginia, Inc. (formerly the Chesapeake and Potomac Telephone Company of Virginia, hereafter "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 Staunton exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Raphine exchange of GTE South, Incorporated ("GTE"). By Order of December 21, 1994, the Commission directed BA-VA to publish notice of the proposed increase. Comments or requests for hearing were due on or before February 13, 1995.

On February 14, 1995, the Division of Communications submitted its Report referring to the notice that was published by BA-VA, and stating that one comment favoring the proposal had been received from the Staunton exchange. The Commission has determined that pursuant to the provisions of § 56-484.2.A of the Code of Virginia, no poll was required of the Staunton exchange because the proposed residential rate increase in that exchange is solely due to regrouping. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Staunton exchange, as provided in § 56-484.2.C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the proposed extension of local service from BA-VA's Staunton exchange to the Raphine exchange of GTE South, Inc. may be implemented in a manner suitable to the two companies;

(2) That the two companies implement the tariff revisions necessary for the proposed extension of local service; and

(3) That there being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC940043
APRIL 12, 1995

APPLICATION OF
THE CENTRAL TELEPHONE COMPANY OF VIRGINIA

To implement extended local service from its Charlottesville Exchange to Bell Atlantic-Virginia's Gordonsville Exchange

FINAL ORDER

On November 14, 1994, the Central Telephone Company of Virginia ("Centel" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2, proposing to notify the Company's Charlottesville subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Gordonsville Exchange of Bell Atlantic-Virginia, Inc. ("BA-VA"). By order of January 23, 1995, the Commission directed Centel to publish notice of the proposed increase. Comments or requests for hearing were due on or before March 10, 1995.

On March 17, 1995, 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 has determined that pursuant to the provisions of § 56-484.2A of the Code of Virginia, no poll was required of the Charlottesville exchange because the proposed residential rate increase in that exchange does not exceed five percent of the existing monthly one-party residential flat rate. The Commission need not convene a hearing unless requested by the lesser of five percent or 150 customers in the Charlottesville exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the proposed extension of local service from Centel's Charlottesville exchange to the Gordonsville exchange of BA-VA may be implemented in a manner suitable to the two companies;

(2) That the two companies implement the tariff revisions necessary for the proposed extension of local service; and

(3) That there being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC940045
APRIL 12, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Stone Mountain Exchange to the Burnt Chimney Exchange of the Central Telephone Company of Virginia

FINAL ORDER

On November 22, 1994, 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 Stone Mountain subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Burnt Chimney Exchange of the Central Telephone Company of Virginia ("Centel"). By order of January 13, 1995, the Commission directed BA-VA to publish notice of the proposed increase. Comments or requests for hearing were due on or before March 10, 1995.

On March 17, 1995, the Division of Communications submitted its report referring to the notice that was published by BA-VA and stating that one comment favoring the proposal had been received. The Commission has determined that pursuant to § 56-484.2A of the Code of Virginia, no poll was required of the Stone Mountain exchange because the proposed residential rate increase does not exceed five percent of the existing one-party residential flat rate. The Commission need not convene a hearing unless requested by the lesser of five percent or 150 customers in the Stone Mountain exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the proposed extension of local service from BA-VA's Stone Mountain exchange to the Burnt Chimney exchange of Centel may be implemented in a manner suitable to the two companies;

(2) That the two companies implement the tariff revisions necessary for the proposed extension of local service; and

(3) That there being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC940046
APRIL 12, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Roanoke Exchange to its Bedford Exchange

FINAL ORDER

On December 2, 1994, 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 Roanoke subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Company's Bedford exchange. By order of January 23, 1995, the Commission directed BA-VA to publish notice of the proposed increase. Comments or requests for hearing were due on or before March 10, 1995.

On March 17, 1995, the Division of Communications submitted its report referring to the notice that was published by BA-VA and citing that two comments favoring the proposal had been received. The Commission has determined that pursuant to provisions of § 56-484.2A of the Code of Virginia, no poll is required of the Roanoke exchange because the proposed rate increase does not exceed five percent of the existing monthly one-party residential flat rate. The Commission need not convene a hearing unless requested by the lesser of five percent or 150 customers in the Roanoke exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the proposed extension of local service from BA-VA's Roanoke exchange to its Bedford exchange may be implemented in a manner suitable to the Company;

(2) That BA-VA implement the tariff revisions necessary for the proposed extension of local service; and

(3) That there being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC940047
APRIL 12, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Roanoke Exchange to the Burnt Chimney Exchange of the Central Telephone Company of Virginia

FINAL ORDER

On December 2, 1994, 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 Roanoke subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Burnt Chimney exchange of the Central Telephone Company of Virginia ("Centel"). By order of January 13, 1995, the Commission directed BA-VA to publish notice of the proposed increase. Comments or requests for hearing were due on or before March 10, 1995.

On March 17, 1995, the Division of Communications submitted its report referring to the notice that was published by BA-VA and stating that one comment favoring the proposal had been received. The Commission has determined that pursuant to the provisions of § 56-484.2A of the Code of Virginia, no poll is required of the Roanoke 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 Roanoke exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the proposed extension of local service from BA-VA's Roanoke exchange to the Burnt Chimney exchange of Centel may be implemented in a manner suitable to the two companies;

(2) That the two companies implement the tariff revisions necessary for the proposed extension of local service; and

(3) That there being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC940050
APRIL 3, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For revenue neutral rate changes pursuant to paragraph 8 of the Bell Atlantic-Virginia Plan for Alternative Regulation

FINAL ORDER

On December 13, 1994, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed revised tariffs to become effective March 1, 1995, pursuant to § 56-237 of the Code of Virginia and paragraph 17 of the Commission's Modified Plan for Alternative Regulation of Virginia Local Exchange Telephone Companies. According to BA-VA, approval of these tariffs would result in a net overall decrease in annual operating revenues. On January 27, 1995, BA-VA filed revisions to these tariffs to change their effective date to April 3, 1995, and to furnish additional supporting documentation. Because these tariff revisions would not take effect until this year, the Commission has treated the application as having been filed pursuant to paragraph 8 of the Bell Atlantic-Virginia Plan for Alternative Regulation ("BA-VA Plan") which became effective January 1, 1995.

The application states that BA-VA will realize a net decrease in annual operating revenues of $248,818 by means of expanding the local calling area of its Toano exchange. Currently, customers in that exchange incur long distance charges for calls placed to the Newport News, Hampton, and Poquoson exchanges. By expanding Toano's local calling area to include those three exchanges, it will be placed in a higher priced rate group. However, the extra local revenue realized by the regrouping will not match the toll revenue that would be lost, and the annual net loss of revenues is estimated at $248,818.

The application states that to partially offset that reduction in revenues, BA-VA proposes to increase the price of its Centrex Extend Interlocation Intercom Service and to increase the price of its 1.17 Mbps Switched Multi-megabit Data Service ("SMDS"). The combined effect of these two rate increases is projected to yield additional average revenue of approximately $168,000 per year over the next two years. This would result in a net annual loss of revenues of approximately $80,000.

The Company's application stated that existing Centrex Extend customer are under contract and would not be immediately affected by this price increase. However, by letter dated March 29, 1995, the Company advised that three existing Centrex Extend and 8 SMDS customers are not under long-term contracts and would be affected. The Company will contact these customers and give them a 60-day period, beginning March 31, 1995, in which to convert to a long-term contract under existing rates.

By Order entered February 7, 1995, the Commission directed BA-VA to publish newspaper notice concerning the proposed changes. BA-VA filed the required proof of its public notice on March 9, 1995. The deadline for customer comments or requests for hearing was March 17, 1995. On March 24, 1995, the Commission Staff filed its report concerning the number and nature of the comments or requests for hearing received. The report

advises that 41 written comments were received. All comments concerned the expansion of the Toano local calling area, and all supported that proposal. No one requested a hearing.

Because the Toano portion received public support and no objections were lodged to the offsetting increases to Centrex Extend and SMDS, the Commission is of the opinion that the proposed tariff restructuring is in the public interest. Accordingly,

IT IS THEREFORE ORDERED:

(1) That BA-VA may implement its proposed tariff revisions effective April 3, 1995; and

(2) That there being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC940050
APRIL 20, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For revenue neutral rate changes pursuant to paragraph 8 of the Bell Atlantic-Virginia Plan for Alternative Regulation

DISSENTING OPINION

Moore, Commissioner, dissents:

The BA-VA Plan freed Bell Atlantic from traditional regulation, eliminating any limit on the Company's earnings, in exchange for a freeze or cap on rates for all monopoly services, with several limited exceptions. Under Paragraph 8.A of the BA-VA Plan, the Company could raise rates on certain services as long as there were off-setting decreases so that overall the rate changes would "not result in a net increase in operating revenues." This revenue neutral rate change exception allows the Company pricing flexibility as long as the changes are in the public interest, comply with § 56-235.5 of the Code, and do "not result in a net increase in operating revenues."

Based on the Company's own data, in this case, revenues from the rate increases will far exceed the revenue decreases. In short, the Company will have a net increase in operating revenues as a result of these rate changes in violation of Paragraph 8.A of the Plan. Specifically, as stated in the majority order, during the first two years, Company data show a projected net decrease in operating revenues of approximately $160,000 as a result of the rate changes. In the next three years, however, projected revenues from rate increases exceed the expected revenue decreases by more than $730,000. Thus, after only five years, based on Company data, the rate changes will net the Company an overall increase of more than $560,000, or over $112,000 per year.

The BA-VA filing stated that, after the expansion of the Toano exchange's local calling area[1] and the subsequent Toano rate regrouping, BA-VA's revenues would decrease by approximately $249,000 per year because of the loss of toll revenue, based on 1994 usage. The Company sought to make this filing "revenue neutral" by increasing rates on two other services that are offered statewide, Centrex Extend and SMDS. The Company proposed an increase of at least 50% to Centrex Extend[2] and approximately 5% for SMDS.[3] The data submitted with the application, which included 1995 and 1996 figures only, revealed that these rate increases would increase operating revenues from Centrex Extend and SMDS by $335,412 during this two year period. According to BA-VA, these figures did not include revenues from any existing Centrex Extend customers and certain SMDS customers, since those customers were served under contracts which did not expire until after 1996 and thus the rates for these customers would not be increased by this proposal in 1995 or 1996. A cursory review of the data showed the revenue increase in 1996 was more than twice as large as the increase in 1995, indicating that revenues from these services were projected to grow at a rapid rate. Further, there was no showing by the Company as to why the increases on these two services were in the public interest as required by Paragraph 8.A of the Plan. This was the state of the record on April 3, 1995, when the majority approved the rate changes as revenue neutral and in the public interest.

The application should not have been approved, given the record in the proceeding when the majority order was issued. As noted above, there was no evidence that the rate increases to Centrex Extend and SMDS were in the public interest as required by the Plan. In addition, in looking at the rate of increase in revenues for these services between year one and year two, I feared that the proposed price changes could not long maintain their revenue neutrality and thus would not comply with the BA-VA plan. Accordingly, I noted my dissent and requested the Staff to obtain additional information from BA-VA so it could be determined whether the rate changes were expected to remain revenue neutral and whether the proposed changes were in the public interest. In my view, the public interest is not served by approval of a price restructuring that is only momentarily revenue neutral.

A review of BA-VA's additional information, provided after the majority had approved the application, confirmed my fears. Revenues from the rate increases are projected to continue to grow much faster than the revenue decreases related to the Toano exchange. In addition, as the current contracts begin to expire in 1997, the rate increases on those customers will be reflected. In the 1997-1999 period, Company data show that revenues from

[1]Eliminating tolls on calls between Toano and the Hampton, Poquoson and Newport News exchanges.

[2]The rate change increases the flat rate charge by 50% (from an average of $4 to an average of $6 per month) and also imposes a new charge on all calls in excess of 40 per month. In addition, the measured line rate increases 50%.

[3]Switched Multi-megabit Data Service. The current monthly price for this service is approximately $500 per access line. The increase is $25 per switched access line in most cases.

the rate increases ($1,580,000) would exceed the revenue decreases ($847,000) by over $730,000. Overall, for the five year period, BA-VA data reveal that the rate increases are expected to yield $561,450 more than the decreases. There is no way these rate changes can be considered revenue neutral.

While one might suggest that an extra "profit" of $561,000 is insignificant when viewed in the context of BA-VA's total revenues, which are measured in billions of dollars, two points must be remembered. First, the principle of requiring compliance with Commission plans and regulations is critically important regardless the amount involved. Second, the price changes which lead to the $561,000 of extra profit were designed originally to "fix" a $249,000 problem, the amount of the toll loss from extending the local calling area of the Toano customers. BA-VA's return on its investment (i.e., its decision to forego the Toano toll revenues) could be enormous. The average net gain through the first five years is expected to be $112,290 per year and, of course, the effects of these changes can continue to accumulate beyond the fifth year.[4]

An application for revenue neutral rate changes under Paragraph 8.A of the BA-VA Plan must show that the changes are, and will remain, revenue neutral for the foreseeable future. In this case, the Company's own data show the opposite; the rate changes will not be revenue neutral. Paragraph 8.B requires BA-VA to make a showing within the first two years following implementation of price changes made under Paragraph 8.A that "the changes are, in fact, revenue neutral. If they are not, the Commission may require a prospective adjustment in the affected prices to ensure revenue neutrality." As originally proposed by BA-VA in Case No. PUC930036, there was no mechanism to review revenue neutral price restructurings made under what is now Paragraph 8.A. The "second look" provision in Paragraph 8.B was added in response to concerns addressed by Staff witness William Irby in his testimony in that proceeding.[5] The two-year review permits subsequent price adjustments necessary to protect ratepayer interests. It does not, and was not intended to, limit the inquiry or the amount of information initially necessary to demonstrate the revenue neutrality of proposed changes.

Approving an inadequately documented price change, particularly when the Company's own data show that it will not remain revenue neutral, with the idea that the effects can be further studied and corrected at some point in the future, ignores our regulatory responsibility to protect the public interest under Paragraph 8.A and sets an unfortunate precedent for future filings. The public interest requires that we deny price changes, such as these, that will not remain revenue neutral for the foreseeable future. Further, since our response under the BA-VA plan to a discovery of a non-neutral price change is a prospective adjustment, we will be required to examine revenue forecasts at the time the two-year review occurs, which is what should have happened here, prior to the approval of the application.

Approval of these price changes will result in higher than allowable prices and encourage the type of gaming[6] that I addressed in my dissent in Case No. PUC930036. I simply did not expect to see it this soon. Now that it has happened, I certainly hope that the scrutiny to be applied during the two-year examination of the revenue effects of the price changes exceeds that which has occurred thus far. At that time, the Commission must look forward to see if the increases now projected by the Company are likely to occur. If they are, the Commission must reduce the rates, as provided by Paragraph 8.B of the BA-VA plan.

For the above-detailed reasons, I cannot agree to approve this application; the majority should not have entered their order in this case. The citizens of Virginia deserve to know first that this Commission will investigate thoroughly all applications filed with us and second, that the Commission will enforce both the spirit and the letter of the regulatory plans it has deemed to be in the public interest. We owe it to the ratepayers and citizens of the Commonwealth to see that the terms of all regulatory plans are enforced. This application meets neither the letter nor the spirit of the BA-VA Plan and should have been rejected.

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[4]These effects do not include any price changes BA-VA might make in Centrex Extend and SMDS pursuant to Paragraph 7.B.1. and 2 of the plan, which permit annual price increases in Discretionary services at the rate of inflation through the end of 1996 and up to 10% per year beginning in 1997. These changes may be made in the Company's sole discretion and the Commission may not prevent their implementation. There is little, if anything, to restrain the Company from making those changes. The 7.B.1 changes can be even higher because the majority has allowed this initial 50% price increase in Centrex Extend under Paragraph 8.A, expanding the base from which any 7.B.1 increases will be made. The rate per access line for Centrex Extend is increased, on average, from $4 to $6. A 10% increase to a $6 rate produces 50% more additional revenues (60¢) than a 10% increase to a $4 rate (40¢).

[5]"Under traditional or modified rate of return regulation, there would always be an opportunity for true up if revenue neutral earnings estimates were flawed and the company subsequently earned increased revenues. Under price regulation with no earnings oversight this is not possible." (Ex. WI-1, at 26-27. Case No. PUC930036.)

[6]Offsetting decreases from relatively static services with increases from rapidly growing services provides one readily observed gaming strategy. Other gambits can also be imagined.

CASE NO. PUC940051
MARCH 24, 1995

PETITION OF
SPRINT COMMUNICATIONS COMPANY, L.P.

For authority to offer non-tariffed competitive pricing arrangements

ORDER GRANTING AUTHORITY

On December 16, 1994, Sprint Communications Company, L.P. ("Sprint" or "the Company") filed an application with the State Corporation Commission ("Commission") requesting authority to offer non-tariffed competitive pricing arrangements to its customers. In support of its petition, Sprint noted that MCI and AT&T Communications of Virginia, Inc. have received authority from the Commission to offer similar services. See, Application of AT&T Communications of Virginia, Inc., For authority to offer non-tariffed customer service packages, Case No. PUC890022, 1989 S.C.C. Ann. Rept. 220 ("Application of AT&T") and Application of MCI Telecommunications Corporation of Virginia, For authority to offer non-tariffed competitive pricing arrangements, Case No. PUC940015, Final Order May 16, 1994.

Further, the Company proposed to file a copy of each such contract with the Division of Communications on a proprietary basis and to include the following language in its Virginia tariff:

> Competitive pricing arrangements can be furnished to meet the communications needs of specific customers on a case-by-case basis. Services will be provided to customers according to contract. Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices specified in other sections of this tariff.

NOW, upon consideration of the Company's request, the Commission is of the opinion and finds that this matter should be docketed and that the requisite authority to provide non-tariffed competitive pricing arrangements should be granted. In granting Sprint's request for authority, we are not authorizing Sprint to deviate from the Commission's rules regarding the provision of intra-LATA service. Sprint is certificated to provide inter-LATA service as an interexchange carrier and to have its rates established competitively pursuant to Va. Code Ann. §§ 56-265.4:4B and -481.1 (1986 Repl. Vol.) respectively. It received authority from this Commission to offer these services and to have its rates established on competitive factors in Applications of Southerntel of Virginia, Inc. et al., PUC840020, PUC840022, PUC840024, PUC840025, PUC840027, and PUC840023, 1984 S.C.C. Ann. Rept. 333.

Further, modified Rule 11 of our Rules Governing the Certification of Inter-LATA, Interexchange Carriers requires public notice of rate changes only when rates are increased. See Petition of AT&T Communications of Virginia, Inc. To modify Rule 11 of the Rules Governing the Certification of Inter-LATA, Interexchange Carriers, Case No. PUC890012, 1989 S.C.C. Ann. Rept. 216. Because the instant application does not appear to be an increase in existing rates for Sprint subscribers, we believe no further public notice is necessary. As we noted in Application of AT&T Communications, Case No. PUC890022, p. 1, supra, "while this application was made by AT&T alone, we perceive no reason why similar arrangements should not be permitted to other carriers who submit applications." Id. 1989 S.C.C. Ann. Rept. at 221.

Consistent with the approval given to AT&T, MCI, and other inter-exchange carriers, we will require Sprint to file a copy of each non-tariffed pricing arrangement with the Division of Communications. Such filings shall be proprietary and shall not be disclosed to anyone outside of the Commission unless authorized by Sprint or ordered by the Commission. This will allow the Staff to monitor these arrangements to insure that predatory pricing does not occur and that the Commission's rules regarding the provision of intra-LATA services are followed. In addition, Sprint is reminded that its rates, charges, and regulations must remain nondiscriminatory in compliance with Va. Code Ann. § 56-481.1 (1986 Repl. Vol.). Rates, charges, terms, and conditions made available to specific customers must be made available on a nondiscriminatory basis to all other similar customers under like conditions.

Accordingly, IT IS ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUC940051;

(2) That the application of Sprint for authority to offer non-tariffed pricing arrangements is hereby granted, subject to the requirement that a copy of each such arrangement be filed on a proprietary basis with the Commission's Division of Communications;

(3) That Sprint's Virginia tariff shall include the language set forth on page 1 above; and

(4) That there being nothing further to be done herein, this matter shall be removed from the Commission's docket and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC950001
JUNE 15, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Salem exchange to the Troutville exchange of the Roanoke and Botetourt Telephone Company

FINAL ORDER

On February 22, 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. BA-VA proposed to notify the Company's Salem exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Troutville exchange of the Roanoke and Botetourt Telephone Company ("R&B"). By Order of March 15, 1995, the Commission directed BA-VA to publish notice of the proposed increase. Comments or requests for hearing were due on or before May 22, 1995.

On May 24, 1995, the Division of Communications submitted its report referring to the notice that was published by BA-VA and stating that no comments concerning the proposal had been received. The Commission has determined that pursuant to the provisions of § 56-484.2A of the Code of Virginia, no poll is required of the Salem 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. A hearing is not required unless requested by the lesser of five percent or 150 customers in the Salem exchange, as provided in § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THERFORE ORDERED:

(1) That the proposed extension of local service from BA-VA's Salem exchange to the Troutville exchange of the Roanoke and Botetourt Telephone Company may be implemented in a manner suitable to the two companies;

(2) That two companies implement the tariff revisions necessary for the proposed extension of local service; and

(3) That there being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC950002
AUGUST 10, 1995

APPLICATION OF
THE ROANOKE AND BOTETOURT TELEPHONE COMPANY

To implement extended local service from its Oriskany exchange to its Fincastle and Troutville exchanges

ORDER OF DISMISSAL

On March 1, 1995, The Roanoke and Botetourt Telephone Company ("R&B" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.3. R&B proposed to notify the Company's Oriskany subscribers about the increase in monthly rates that would be necessary to extend their local service to include R&B's Fincastle and Troutville exchanges.

Pursuant to the Commission's Order of May 10, 1995, R&B was directed to mail a poll to each residential subscriber in its Oriskany exchange. That same order required that on or before July 31, 1995, R&B tabulate and certify the polling results to the Commission.

R&B has certified the results to the Commission. A majority of Oriskany exchange subscribers oppose the proposal. Accordingly,

IT IS THEREFORE ORDERED THAT this matter is dismissed and the papers accumulated herein shall be placed in the file for ended causes.

CASE NO. PUC950003
DECEMBER 4, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement its Community Choice Plan among various telephone exchanges

ORDER AUTHORIZING IMPLEMENTATION OF SERVICE

On March 2, 1995, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed an application with the State Corporation Commission ("Commission") to implement its Community Choice Plan ("CCP") among Virginia exchanges that currently pay toll rates but have a high community of interest. By Order of June 13, 1995, the Commission prescribed direct mail notice to each BA-VA customer whose rates would be affected by the implementation of the CCP. That Order provided a deadline of September 18, 1995, for customers to file written comments or requests for hearing.

A number of customer comments for and against CCP were received; however, only two customers requested a hearing. In addition, on September 18, 1995, MCI Telecommunications Corporation of Virginia ("MCI") filed its comments and request for hearing. On October 4, 1995, BA-VA filed a response to MCI's request, urging the Commission to deny it.

NOW THE COMMISSION, upon consideration of the comments and requests for hearing filed in this matter, finds that it is in the public interest to approve the CCP, in part. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BA-VA may implement its proposed Community Choice Plan in the Belle Haven, Cartersville, Chester, Clintwood, Cumberland, Dinwiddie, Eastville, Fife, Gainesboro, Gore, Hopewell, Manakin, McKenney, Midlothian, Norton, Onancock, Parksley, Petersburg, Richmond, Sandston, Stephens City, Tangier, Temperanceville, Waverly, and West Point exchanges, as proposed, pursuant to the tariffs filed herein.

(2) The CCP is not approved for the Appalachia, Big Stone Gap, Bluemont, Upperville, Winchester, and Wise exchanges due to significant adverse customer comments and petitions. The rejection of the CCP for these exchanges shall not preclude customers from seeking extended local service pursuant to the provisions of § 56-484.2 of the Code of Virginia.

(3) This matter is continued generally for consideration of extension of the CCP from BA-VA's Staunton to Clifton Forge-Waynesboro Telephone Company's Waynesboro exchange and from any other BA-VA exchanges that seek to take advantage of the CCP for calling to exchanges of other local exchange telephone companies.

MOORE, Commissioner, dissents:

By Final Order entered October 18, 1994, the Commission adopted the Bell Atlantic - Virginia Plan for Alternative Regulation ("Plan"). The Plan imposes a moratorium on increases in prices for basic local exchange telephone services until January 1, 2001, with certain exceptions. The two exceptions that are at issue here are found in Paragraphs 8 and 6.C. of the Plan. Paragraph 8 of the Plan allows Bell Atlantic to propose changes in basic

local exchange telephone rates that "do not result in a net increase in operating revenues." Additionally, Paragraph 6.C. of the Plan permits "rate regrouping of exchanges due to growth in access lines."

The rate changes that the Community Choice Plan ("CCP") effects potentially involve both the "rate regrouping of exchanges" mentioned in Paragraph 6.C. of the Plan and a revenue-neutral rate change or restructuring contemplated by Paragraph 8 of the Plan. Rate changes due to rate regrouping of exchanges are clearly permissible under the Plan if the regrouping results from growth in access lines within an existing seven-digit calling area. Bell Atlantic argues that such rate changes are also permissible if the regrouping results from the addition of areas to the existing seven-digit calling area.[1]

Under the current local exchange service tariff, when Bell Atlantic accomplishes a rate regrouping by expanding a seven-digit calling area, the basic flat rates for customers in the newly added exchange go up, and either there are no additional charges for calls within the new, seven-digit calling area or expanded area calling ("EAC") rates apply for such calls.[2]

To these two options, the Company now proposes to add a third. Under the Company's new CCP, rate regrouping is redefined so that a seven-digit calling area can be expanded, with the concomitant regrouping increase in rates, and CCP rates can be applied rather than EAC rates.[3] Our approval of the Company proposal would implement the rate structure changes by expanding certain seven-digit calling areas and applying the CCP rates.

Under the Company proposal, customers in exchanges that are regrouped who make few or no calls that would be affected by the CCP rates receive an overall rate increase. Further, for certain of those customers in the expanded area, the increase in rates, by reason of the CCP rates, will be greater than it would have been had the Company been required to apply either the regrouped rate alone with no usage charges or the regrouped rates plus the EAC rates. It may well be, and apparently is, the case that the Company would not have applied for the proposed expansions and regroupings if it could only rely on the increased flat rates and EAC charges permitted by the present Bell Atlantic tariffs. Accordingly, the Company proposed to restructure the tariffs by adding CCP rates to the options the Company has available when it proposes to expand a seven-digit calling area. That is one of the precise reasons Paragraph 8 is in the Plan, to allow the Company to propose revised rate structures that are revenue-neutral and in the public interest.

The Bell Atlantic proposal cannot, under either the spirit or letter of the Plan, be termed a "rate regrouping of exchanges due to growth in access lines" pursuant to Paragraph 6.C. of the Plan. The CCP must be treated and examined under the revenue-neutral provisions of Paragraph 8 of the Plan.

Based upon the information provided by Bell Atlantic and reviewed by the Staff, it appears that implementation of the CCP in this case will not result, either at its inception or in the foreseeable future, in a net increase in operating revenues. Indeed, Bell Atlantic will, based upon present information, experience a significant revenue reduction as a result of the implementation of the CCP as proposed in its application. Further, there appears to be much favorable interest in the service offered by the CCP at the rates it will charge. My colleagues find the CCP to be in the public interest, and I do not disagree. At this point, my disagreement is a procedural one. Paragraph 8 of the Plan, which governs revenue-neutral rate changes, states that "if a protest or objection to the revenue-neutral restructuring is filed by twenty or more customers, the Commission shall, upon reasonable notice, conduct a public hearing concerning the lawfulness of the restructuring, pursuant to § 56-235.5." In this case, more than twenty objections or protests have been received. Accordingly, a public hearing is required. At the end of such a hearing, if my understanding of the CCP and its impacts were to be as it is now, I then could and would join my colleagues in approving the CCP as being in the public interest. As it stands, the CCP appears to be in the public interest; a hearing would have properly allowed us to conclude that it is.

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[1] Calls to and from the expanded seven digit calling area may, and often do, require payment of separate charges in addition to the regular monthly flat rate.

[2] Bell Atlantic's EAC tariff sets specific rates on a per minute basis for calling within certain seven-digit calling areas. The EAC rates are substantially below comparable intraLATA toll rates that would have applied absent the expansion and rate regrouping. The discount averages approximately 80%.

[3] The Company would also continue to have the alternative of charging only the new, regrouped flat rate with no additional charge for any calls within the new seven-digit calling area.

CASE NO. PUC950004
NOVEMBER 6, 1995

APPLICATION OF
GTE SOUTH, INC.

To classify 911 PSAP Equipment, CentraNet Automatic Call Distribution/Management Information System, and CentraNet's Direct Station Select/Busy Lamp Field and MBS Interactive Display as Competitive

FINAL ORDER

On March 9, 14, and 24, GTE South, Inc. ("GTE") filed requests that its 911 Public Safety Answering Point ("PSAP") Equipment, its CentraNet Automatic Call Distribution/Management Information System Service, and its CentraNet Direct Station Select/Busy Lamp Field and Meridian Business Set ("MBS") Interactive Display features be classified as Competitive pursuant to Paragraph 17 of the GTE South Alternative Regulatory Plan ("Plan"). GTE subsequently filed letters which delayed the effective dates of these new services until July 27 for the CentraNet features and August 3 for the other services. By Order entered September 12, 1995, the Commission scheduled a hearing for November 2, 1995 at 10:00 a.m. concerning GTE's application, and established deadlines for the filing of notices of protest and testimony.

No protests were filed in this matter. Testimony was prefiled only by GTE and by the Commission Staff. At the hearing November 2, 1995, Charles H. Carrathers, III appeared as counsel for GTE and Robert M. Gillespie appeared on behalf of the Commission Staff. No public witnesses or

other parties appeared. The prefiled testimonies of GTE and the Commission Staff were received into evidence pursuant to stipulations that no cross-examination was desired by either GTE or the Staff.

Having considered the application and evidence, the Commission is of the opinion that GTE's request should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to Paragraph 17 of its Alternative Regulatory Plan, GTE's 911 PSAP Equipment, its CentraNet Automatic Call Distribution/Management Information System Service, and its CentraNet Direct Station Select/Busy Lamp Field and MBS Interactive Display features are hereby classified as competitive.

(2) There being nothing further to come before the Commission, this matter is dismissed from the docket and the record developed herein shall be placed in the filed for ended causes.

CASE NO. PUC950005
AUGUST 18, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To classify its prepaid debit card long-distance calling service as Competitive

DISMISSAL ORDER

On March 9, 1995, Bell Atlantic-Virginia, Inc. ("BA-VA") filed a request that its proposed prepaid debit card long-distance calling service be classified as competitive pursuant to paragraph 5 of the Bell Atlantic-Virginia Plan for Alternative Regulation ("Plan"). BA-VA has now withdrawn the proposed service and asked that this matter be dismissed.

The Commission is of the opinion that BA-VA's request should be granted. Accordingly,

IT IS THEREFORE ORDERED that this matter is dismissed and the papers accumulated herein shall be placed in the file for ended causes.

CASE NO. PUC950013
MAY 11, 1995

APPLICATION OF
THE CENTRAL TELEPHONE COMPANY OF VIRGINIA

To implement extended local service between its Burkeville and its Farmville exchanges

FINAL ORDER

The Central Telephone Company of Virginia ("Centel" or "the Company") has informed the Commission that polls for extended local service ("ELS") for local calling between its Burkeville and Farmville exchanges have been approved by subscribers. By letter dated September 19, 1994, the Company notified the Division of Communications that customers in the Burkeville exchange were polled for ELS to Farmville between July 11, 1994 and September 14, 1994. Burkeville customers were asked if they would prefer having their local flat rates increased in return for eliminating toll charges for calling to Farmville. The Company reported that 501 responses were received out of the 973 ballots mailed to customers. Of those responses 416 (83%) favored ELS and 85 (17%) were opposed.

By letter dated March 29, 1995, the Company informed the Commission that customers in the Farmville exchange were polled for ELS to Burkeville between January 17, 1995, and March 22, 1995. Farmville customers were asked whether they favored an increase in their monthly rates in return for eliminating toll charges on calls to Burkeville. Of the 5,303 ballots mailed out, the Company reported that 1,793 were returned. Of those returned, 1,015 (56.6%) favored ELS and 778 (43.4%) were opposed.

Having considered the results of the polls and the criteria of § 56-484.2B of the Code of Virginia, the Commission has determined that a majority of the subscribers voting in the two exchanges are in favor of the proposed extension of their local service area. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Centel may implement extended local service between its Burkeville and Farmville exchanges;

(2) That Centel file the tariffs necessary to implement the increased monthly charges for ELS between the Burkeville and Farmville exchanges; and

(3) That there being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC950015
JULY 14, 1995

APPLICATION OF
WILTEL OF VIRGINIA, INC.

To amend its certificate to reflect new corporate name

FINAL ORDER

On March 29, 1995, WilTel of Virginia, Inc. ("Wiltel" or "Applicant") filed a letter announcing that its corporate name would be changed to Virginia WorldCom, Inc. Wiltel is a wholly-owned subsidiary of LDDS Communications, Inc. and holds a certificate of public convenience and necessity, number TT-19a. WilTel seeks to revise its certificate of convenience and necessity to reflect its new corporate name, Virginia WorldCom, Inc.

The Commission is of the opinion that a revised certificate of public convenience and necessity should be granted. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Certificate of Public Convenience and Necessity No. TT-19a is hereby canceled and shall be reissued as Certificate No. TT-19b in the name of Virginia WorldCom, Inc., formerly Wiltel of Virginia, Inc.; and

(2) That 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. PUC950017
SEPTEMBER 28, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To classify Its OptiMail service as Competitive

FINAL ORDER

On May 1, 1995, Bell Atlantic-Virginia, Inc.("BA-VA") filed a request that three new features within OptiMail service for Centrex customers be classified as Competitive pursuant to paragraph 4A of the Bell Atlantic-Virginia Plan for Alternative Regulation ("Plan"). By Order entered August 18, 1995, the Commission scheduled a hearing concerning BA-VA's application for September 28, 1995, at 10:00 a.m. and established deadlines for the filing of notices of protest and testimony.

No protests were filed in this matter. Testimony was pre-filed only by BA-VA and by the Commission's Staff.

At the hearing September 28, 1995, Warner F. Brundage, Jr., appeared as counsel for BA-VA and Robert M. Gillespie, appeared on behalf of the Commission Staff. No public witnesses or other parties appeared. The prefiled testimonies of BA-VA and the Commission Staff were marked and received into evidence.

Having considered the application and the evidence, the Commission is of the opinion that BA-VA's request should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to BA-VA's Plan for Alternative Regulation, the three new features of its OptiMail service, FaxAgent, FaxStation and CPE Initiated Networking, shall be classified as Competitive.

(2) There being nothing further to come before the Commission, this matter is dismissed from the docket and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC950018
DECEMBER 13, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating local exchange telephone competition, including adopting rules pursuant to Virginia Code § 56-265.4:4.C.3

ORDER ADOPTING RULES

By order entered June 9, 1995, the Commission prescribed notice and invited comments regarding Draft Rules for Local Exchange Telephone Competition which had been prepared by the Commission Staff and were denoted as Appendix A of that order. Pursuant to that order, numerous comments regarding the draft rules and answers to the questions attached to the order as Appendix B were received by the deadline of August 4, 1995. In addition, several parties requested a hearing before the Commission or the ability to make reply comments.

By order entered August 18, 1995, the Commission scheduled for September 26, 1995, a hearing to receive oral argument. At that hearing, the Commission heard oral argument from the parties and testimony from one public witness. At the conclusion of the hearing, the parties were directed to file, within ten days of the hearing, letters indicating the issues upon which each party desired to present evidence. Five days thereafter, the parties were allowed to reply to the initial letters of other parties. Accordingly, letters were filed by numerous parties on October 6, 1995, describing potential evidentiary issues, and reply letters were filed on October 11, 1995.

After consideration of the record in this matter, we find that the rules attached hereto as Appendix A provide the minimum certification and other policy requirements necessary for potential new entrants to apply for certification as local exchange telephone service providers. These rules do not resolve any issues that require a factual or evidentiary determination. Rather, the rules permit subsequent resolution of controversial issues, such as interconnection rates and terminating traffic compensation, through negotiations among the parties, and preserve the opportunity for evidentiary hearings when needed.

The Commission is aware that it is likely that resolution of additional issues and further inter-company agreements beyond the scope of interconnection will be necessary as local telephone competition unfolds. The Commission encourages the parties to include any such issues in the negotiation process. However, as these rules have been established only as the minimum necessary for certification, the Commission shall initiate proceedings to incorporate additional rules as needed.

As such, the Commission is also of the opinion that separate dockets should be established to address the issues of resale and universal service obligations. Parties to this case argued that these vital issues could only be decided after evidentiary hearings are held to develop the pertinent facts. However, most of the parties also contended that the certification rules need not be delayed while these issues are being heard and determined, and the Commission agrees.

The adoption of certification rules in this order will not prejudge or impair the subsequent development of facts and determination of other vital issues. Rule 9, for example, addresses the guiding principles of universal service, but allows flexibility in determining specific issues. It permits the Commission to establish a universal service fund after fixing the definition of basic local exchange telephone service and calculating any subsidy necessary to keep such service ubiquitous. Evidentiary hearings will be necessary to develop this definition and to determine the need for and the amount of any subsidy. The Rule designates the incumbents as the carriers of last resort until the Commission determines otherwise. Thus, Rule 9 lays the conceptual foundation for full development of the facts necessary for ultimate determination of these issues.

Resale is not specifically addressed in the certification rules, but many parties believe it is essential to the development of competition in all areas of the Commonwealth. Since construction of duplicate facilities consumes considerable time and requires capital, many areas of Virginia will have only the current telecommunications network for the foreseeable future. Our rules do not prohibit the resale of a local exchange carrier's services, but resale should not be summarily decreed. It is necessary for the Commission to consider a number of issues before requiring the resale of existing local exchange services. A determination should be made of whether wholesale rates should be established and the applicable price or discount. It should also be determined what services should be available for resale and what criteria should be utilized to determine such availability. The Commission needs a thorough analysis of such issues before determining the best policy concerning resale.

The certification rules permit parties to negotiate on two crucial elements -- interconnection arrangements and terminating traffic compensation. Interconnection of networks for the mutual exchange of local traffic between and among new entrants and incumbents is necessary and vital to the development of competitive local exchange markets and to provide for continued ubiquitous calling for all telecommunications users. Determination of proper compensation for termination of traffic among carriers is also a crucial element of the competitive arena. Ideally, new entrants would know the precise terms, conditions, and prices of these items before applying for certification. However, these two issues involve fundamental policy questions and resolving them would require the weighing of extensive evidence. With these rules, we encourage and provide a structure for the good faith negotiation of these issues, and a process for litigating any unresolved matters.

The availability of local number portability will be another critical element in promoting competition and assessing the potential for competition in the local exchange market. Interconnection agreements should therefore include provisions regarding local number portability, and Rule 8 provides guidance on this subject.

The rules fulfill the mandates of § 56-265.4:4.C.3 of the Code of Virginia. They promote and seek to assure the provision of competitive services to all classes of customers throughout all geographic areas of the Commonwealth by a variety of service providers. As just noted, the rules encourage competition and require equity in the treatment of new entrants and incumbents by encouraging negotiations on the important issues of terminating traffic compensation and interconnection arrangements, as well as providing for litigation of issues. They also consider the impact on competition of any government-imposed restrictions limiting the markets to be served or the services offered by any provider. Rule 4 provides the form of rate regulation by imposing price ceilings for new entrants providing local exchange services that are comparable to those noncompetitive services currently provided by the incumbents and also allows new entrants to submit an alternative regulatory plan for the Commission to consider. Finally,

Rule 5F specifically provides requirements to ensure there is no cross-subsidization of a new entrant's competitive local exchange telephone services by any other of its services over which it has a monopoly.

We are establishing, by separate orders, two new dockets, Case No. PUC950080 and Case No. PUC950081 to investigate the issues of resale and universal service, respectively. Initially, comments will be invited on each new docket, and later, procedural schedules will be established that provide for the prefiling of testimony and the setting of hearing dates.

In conclusion, the attached rules provide potential new entrants with the fundamental parameters they need to consider in deciding whether to offer local exchange services in Virginia and to apply for certification. The process of negotiating for interconnection arrangements and terminating traffic compensation, together with the generic proceedings on resale and universal service, will complement the rules and the certification process, thereby establishing the framework for providing local exchange telephone competition throughout the Commonwealth. Accordingly,

IT IS, THEREFORE, ORDERED THAT:

(1) The Commission rules attached hereto as Appendix A are hereby adopted pursuant to Virginia Code § 56-265.4:4.C.3.

(2) There being nothing further to come before the Commission herein, this case shall be, and is hereby, closed and the papers herein shall be placed in the Commission's files for ended causes.

NOTE: A copy of Appendix A entitled "Rules for Local Exchange Telephone Competition" 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. PUC950050
NOVEMBER 20, 1995

PETITION OF
BELL ATLANTIC-VIRGINIA, INC.

For a Declaratory Judgment Interpreting Paragraph 8 of the Bell Atlantic-Virginia Plan for Alternative Regulation

ORDER GRANTING WITHDRAWAL

On June 28, 1995, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed a Petition for a Declaratory Judgment ("Petition") with the State Corporation Commission ("Commission") pursuant to Rule 5:3 of the Commission's Rules of Practice and Procedure. The Petition requests that the Commission declare that the provision in the Bell Atlantic Plan for Alternative Regulation ("Plan") permitting revenue neutral price changes only requires that the price changes be revenue neutral for the first two years after the change in price.

On October 19, 1995, the Commission Staff filed a Motion to Dismiss BA-VA's Petition and by Order of October 23, 1995, the Commission invited a response from BA-VA.

By letter from counsel dated November 9, 1995, BA-VA requested that its Petition be withdrawn and that the case be closed. The Commission is of the opinion that this request should be granted. Accordingly,

IT IS ORDERED THAT:

(1) BA-VA's request that its Petition be withdrawn is hereby granted.

(2) This matter is hereby dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC950052
NOVEMBER 30, 1995

APPLICATION OF
GTE SOUTH, INC.

To implement extended local service from its Richlands exchange to Bell Atlantic's Honaker exchange

FINAL ORDER

On July 14, 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. GTE proposed to notify its Richlands exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Honaker exchange of Bell Atlantic-Virginia, Inc. ("BA-VA"). By order of August 18, 1995, the Commission directed GTE to publish notice of the proposed increases. Comments or requests for hearing were due on or before October 23, 1995.

On October 30, 1995, the Division of Communications submitted its report referring to the notice that was published by GTE, 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 Richlands 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 Richlands 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 GTE's Richlands exchange to the Honaker exchange of BA-VA 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. PUC950062
OCTOBER 23, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Deregulation of radio common carriers and cellular mobile radio communications carriers

FINAL ORDER

On August 1, 1995, the Commission issued its Order Setting Hearing and Authorizing Comments in this proceeding in which we consider deregulation of radio common carriers and cellular mobile radio communications carriers. In that order, we noted the repeal of provisions of the Code of Virginia authorizing the Commission to grant certificates of convenience and necessity to radio common carriers and cellular carriers and to regulate their services. We also noted the amendment of the Communications Act of 1934 to preempt generally state regulation of mobile radio services. As set out in our order of August 1, 1995, the Commission tentatively concluded that it should cancel certificates of convenience and necessity previously issued to these carriers and cancel their tariffs on file with the Commission. In addition, we tentatively concluded that the Commission should repeal its Regulation Governing Radio Common Carrier Services, 20 VAC 5-400-70. Before taking these actions, however, the Commission authorized interested persons to file comments and set the matter for public hearing.

As authorized by our order of August 1, 1995, radio common carriers Paging Network, Inc., Paging Network of Virginia, Inc. and Metrocall of Virginia, Inc., filed comments in support of the proposed deregulatory measures. GTE Mobilnet, Bell Atlantic Nynex Mobile, and Sprint Cellular Company filed comments on behalf of their Virginia cellular carrier affiliates. In addition, cellular carriers Virginia RSA #4, Inc. and Virginia RSA #7, Inc. also filed comments. Like the radio common carriers, the cellular carriers expressed in their comments no objection to the proposed cancellation of certificates and tariffs and the repeal of the regulation. As ordered, the Commission conducted a public hearing in this matter on October 16, 1995, in Richmond, Virginia. No radio common carrier, cellular carrier, or any other interested person appeared at the hearing.

In this proceeding, the Commission afforded holders of certificates of convenience and necessity and interested persons an opportunity to file written comments and to address the Commission at a hearing on issues arising from the proposed deregulation. No person used either avenue to address the Commission to oppose the proposed deregulatory measures. To the contrary, the commenters were unanimous in their support of the cancellation of certificates of convenience and necessity.

The General Assembly of Virginia has clearly established a public policy of deregulating radio common carriers and cellular carriers by repealing various provisions of law which authorized the Commission to regulate these services. The Commission has taken into consideration this policy as well as the comments of the carriers themselves supporting deregulatory measures. Accordingly, the Commission concludes that it should take the deregulatory measures identified in our order of August 1, 1995. By this order, we shall cancel all outstanding certificates of convenience and necessity issued to radio common carriers and cellular carriers and all tariffs filed by these carriers. In addition we will repeal the Commission's Regulation Governing Radio Common Carrier Services, 20 VAC 5-400-70.

Accordingly, IT IS ORDERED THAT:

(1) The following certificates of convenience and necessity issued to radio common carriers SHALL BE CANCELED as of the date of this Order:

RCC No. 138 issued February 26, 1990, to Mid-Atlantic Paging Company, Inc.

RCC No. 141 issued February 26, 1990, to PJB Communications of Virginia, Inc.

RCC No. 142 issued February 26, 1990, to Paging Network of Washington, Inc.

RCC No. 143 issued February 26, 1990, to Paging, Inc.

RCC No. 145 issued February 26, 1990, to Rule Communications

RCC No. 146 issued February 26, 1990, to Shenandoah Mobile Company

RCC No. 147 issued February 26, 1990, to Southwest Virginia Professional Services

RCC No. 148 issued February 26, 1990, to The Beeper Company

RCC No. 149 issued February 26, 1990, to U.S. Central of Virginia, Inc.

RCC No. 150 issued February 26, 1990, to Afton Communications Corporation

RCC No. 151 issued February 26, 1990, to Always Answering Service, Inc.

RCC No. 152 issued February 26, 1990, to American Paging, Inc.

RCC No. 154 issued February 26, 1990, to Executive Services Paging Company

RCC No. 155 issued February 26, 1990, to Great Eastern Communications Company

RCC No. 157 issued February 26, 1990, to Hello Pager Company

RCC No. 158 issued February 26, 1990, to McMillen Communications Corp. of Va., Inc.

RCC No. 159 issued February 26, 1990, to Metro-Tones, Inc. of Virginia

RCC No. 161 issued February 26, 1990, to Dial Page, L.P.

RCC No. 163 issued June 26, 1990, to Salisbury Mobile Telephone of Va., Inc.

RCC No. 164 issued June 29, 1990, to Denton II, Inc.

RCC No. 166 issued February 20, 1991, to Redi-Call

RCC No. 167 issued January 21, 1992, to Dover Radio Page of Virginia, Inc.

RCC No. 168 issued April 22, 1993, to TNI Associates

RCC No. 169 issued January 19, 1993, to K. J. Paging, Inc.

RCC No. 170 issued September 4, 1992, to Paging Network of Virginia, Inc.

RCC No. 144b issued December 16, 1993, to MobileMedia Communications, Inc.

RCC No. 171 issued April 28, 1993, to Carson Partnership

RCC No. 140a issued August 9, 1993, to MobileComm of the Southeast, Inc.

RCC No. 162a issued June 18, 1993, to Metrocall of Virginia

RCC No. 172 issued January 10, 1994, to PageMart Operations, Inc. of Virginia

RCC No. 138a issued May 9, 1994, to FirstPAGE USA of Virginia, Inc.

RCC No. 165a issued May 16, 1994, to AirTouch Paging of Virginia Inc.

(2) All tariffs issued by radio common carriers listed in (1) above and now on file with the Commission SHALL BE CANCELED as of the date of this Order.

(3) The following certificates of convenience and necessity issued to cellular mobile radio communications carriers SHALL BE CANCELED as of the date of this Order:

Cellular No. C-2a issued July 1, 1985, to Washington D.C. SMSA Limited Partnership

Cellular No. C-17 issued April 6, 1988, to Virginia Metronet, Inc.

Cellular No. C-18 issued April 29, 1988, to Centel Cellular Company of Lynchburg

Cellular No. C-19 issued June 17, 1988, to Centel Cellular Company of Charlottesville

Cellular No. C-21 issued June 30, 1988, to Centel Cellular of Danville Limited Partnership

Cellular No. C-22 issued August 1, 1988, to Danville Cellular Telephone Co. Limited Partnership

Cellular No. C-24 issued April 25, 1989, to Petersburg Cellular Partnership

Cellular No. C-16a issued April 28, 1989, to Telespectrum of Virginia, Inc.

Cellular No. C-25 issued January 11, 1991, to Virginia RSA-6 Cellular Limited Partnership

Cellular No. C-26 issued November 19, 1990, to Virginia 10 RSA Limited Partnership

Cellular No. C-39 issued April 22, 1991, to Centel Cellular Company of Virginia

Cellular No. C-41 issued January 12, 1991, to Washington D.C. SMSA Limited Partnership RSA-11 B3

Cellular No. C-42 issued May 7, 1991, to Blue Ridge Cellular, Inc.

Cellular No. C-43 issued May 31, 1991, to Washington D.C. SMSA Limited Partnership

Cellular No. C-44 issued June 18, 1991, to Virginia Cellular, Inc.

Cellular No. C-46 issued August 28, 1991, to Centel Cellular Company of Virginia

Cellular No. C-47 issued August 28, 1991, to Centel Cellular Company of Virginia

Cellular No. C-48 issued August 28, 1991, to Centel Cellular Company of Virginia

Cellular No. C-49 issued August 28, 1991, to Centel Cellular Company of Virginia

Cellular No. C-51 issued September 13, 1991, to Virginia RSA #7, Inc.

Cellular No. C-33a issued September 12, 1991, to Virginia RSA 4 Limited Partnership

Cellular No. C-52 issued September 20, 1991, to Washington D.C. SMSA Limited Partnership

Cellular No. C-54 issued December 23, 1991, to Virginia RSA-1 Limited Partnership

Cellular No. C-29a issued February 21, 1992, to Charlottesville Cellular Partnership

Cellular No. C-57a issued July 16, 1992, to Contel Cellular of Richmond, Inc.

Cellular No. C-59a issued July 16, 1992, to Virginia Cellular Limited Partnership

Cellular No. C-45a issued May 7, 1992, to Centel Cellular Company of Virginia

Cellular No. C-20b issued September 22, 1992, to Century Roanoke Cellular Corp.

Cellular No. C-60b issued November 24, 1992, to Virginia Cellular Limited Partnership

Cellular No. C-9b issued December 22, 1992, to Contel Cellular of Tennessee, Inc.

Cellular No. C-55a issued February 17, 1993, to Virginia RSA 2 Limited Partnership

Cellular No. C-61 issued December 7, 1993, to Metro Mobile of Charlotte, Inc.

Cellular No. C-30d issued October 6, 1993, to Virginia Cellular Limited Partnership

Cellular No. C-32d issued October 6, 1993, to Virginia Cellular Limited Partnership

Cellular No. C-56c issued November 24, 1992, to J.M.W. Inc.

Cellular No. C-28b issued January 29, 1994, to Virginia RSA 3 Limited Partnership

Cellular No. C-36a issued May 13, 1994, to Century Lynchburg Cellular Corporation

Cellular No. C-6b issued May 31, 1994, to RCTC Wholesale Corporation

Cellular No. C-58a issued June 10, 1994, to Virginia RSA No. 4 Inc.

Cellular No. C-38a issued October 28, 1994, to Virginia Cellular Limited Partnership

Cellular No. C-31a issued October 28, 1994, to Virginia RSA (5) Limited Partnership

Cellular No. C-10a issued October 28, 1994, to Contel Cellular of Richmond, Inc.

Cellular No. C-40f issued October 28, 1994, to Virginia Cellular Limited Partnership

Cellular No. C-62 issued November 21, 1994, to Washington/Baltimore Cellular Limited Partnership

Cellular No. C-63 issued November 21, 1994, to Washington/Baltimore Cellular Limited Partnership

Cellular No. C-64 issued November 21, 1994, to Washington/Baltimore Cellular Limited Partnership

Cellular No. C-65 issued November 21, 1994, to Washington/Baltimore Cellular Limited Partnership

(4) All tariffs issued by cellular mobile radio communications carriers listed in (3) above and now on file with the Commission SHALL BE CANCELED as of the date of this Order.

(5) The Commission's Regulation Governing Radio Common Carrier Services, 20 VAC 5-400-70, SHALL BE REPEALED as of the date of this Order.

(6) This case be dismissed from the Commission's docket; the papers herein be transferred to the files for ended proceedings; and all certificates and tariffs canceled by this Order, as well as all records and papers associated with those certificates and tariffs, be disposed of as provided by law.

CASE NO. PUC950063
DECEMBER 15, 1995

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For tariff revisions pursuant to Paragraph 8A of the Alternative Regulatory Plan for Central Telephone Company of Virginia and United Telephone-Southeast, Inc.

FINAL ORDER

On June 30, 1995, United Telephone-Southeast, Inc. ("United" or "the Company") filed revisions to its General Subscriber Services Tariff with the Commission's Division of Communications. United is seeking the changes pursuant to Paragraph 8A of the Alternative Regulatory Plan for Central Telephone Company of Virginia and United Telephone-Southeast, Inc. ("Plan") which became effective January 1, 1995. This paragraph permits Commission approval of price changes that do not result in a net increase in operating revenues. By order of September 7, 1995, the Commission prescribed notice to the affected customers, those using United's high capacity services, TransLink and DigiLink. Pursuant to that order, customers were notified by mail about the proposed revision and directed to file any comments or requests for hearing on or before September 29, 1995.

The deadline for comments or requests for hearing was subsequently extended to October 18, 1995. No comments or requests for hearing were received. The Commission Staff submitted its report on October 25, 1995. That report concluded that United's proposed restructuring of its DigiLink and TransLink tariffs were overall price decreases for these services. The Company did not propose to increase other prices to recover the potential revenue losses, so this was not a true "revenue neutral" filing in the context of attempting to equalize reductions and increases. However, because two DigiLink rate elements increased, this was filed and evaluated as a rate restructuring under the provisions of Paragraph 8 of the Plan.

Having considered the Staff report and the lack of objections or requests for hearing, the Commission finds that United's proposed rate restructuring is in the public interest. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) United may implement the DigiLink and TransLink tariff revisions as proposed.

(2) 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. PUC950065
DECEMBER 7, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service between the Jonesville exchange and the St. Charles exchange

FINAL ORDER

On August 7, 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 the Company's Jonesville subscribers of the increases in monthly rates that would be necessary to extend their local service to include the St. Charles exchange. A poll of Jonesville subscribers was not required under Virginia Code § 56-484.2(A) because the proposed rate increase for one-party residential customers did not exceed five percent (5%) of the existing one-party residential monthly rate. By order dated September 20, 1995, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until November 13, 1995, to file comments or request a hearing on the proposal. No comments or requests for hearing were received.

On November 7, 1995, the Company filed proof of notice as required by the Commission's Order of September 20, 1995.

On November 20, 1995, 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 Jonesville exchange into its St. Charles exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Jonesville exchange into its St. Charles 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 file for ended causes.

CASE NO. PUC950066
DECEMBER 5, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED TELE-SYSTEMS OF VA, INC.
556 Southpark Boulevard
Colonial Heights, Virginia 23834,
Defendant

SETTLEMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED THAT:

(1) The Defendant pay to the Commonwealth a penalty in the sum of fifteen thousand, eight hundred dollars ($15,800), of which one thousand, two hundred dollars ($1,200) shall be paid prior to January 1, 1996, and the penalty balance of fourteen thousand, six hundred dollars ($14,600) shall be suspended upon the condition that Defendant correct the violations cited in the Rule to Show Cause, as well as any additional existing violations known to Defendant, and submit a notarized affidavit outlining the corrective actions taken by January 1, 1996, to the Commission's Communications Division, P.O. Box 1197, Richmond, Virginia 23209.

(2) The Defendant establishes a reasonable procedure to respond to consumer complaints referred to it in writing by the Commission Staff, correct any violations found to exist and verify corrective actions taken or results of the Defendant's investigation by submitting a notarized affidavit within thirty (30) days of Defendant's receipt of referral notice, to the Commission's Communications Division, P.O. Box 1197, Richmond, Virginia 23209.

(3) Unless Defendant satisfies the conditions set forth in paragraph (1), the Commission may impose all or part of the suspended penalty set forth above and revoke all Commission-issued public pay telephone provider authority.

(4) Unless the Defendant satisfies the conditions set forth in paragraph (2), the Commission may after notice and hearing, impose all or part of the suspended penalty set forth above and revoke all Commission-issued public pay telephone provider authority.

CASE NO. PUC950070
DECEMBER 7, 1995

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from the Christiansburg exchange to the Locust Grove exchange of Citizens Telephone Cooperative

FINAL ORDER

On August 22, 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 the Company's Christiansburg exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Locust Grove exchange of Citizens Telephone Cooperative ("Citizens"). A poll of Christiansburg subscribers was not required under Virginia Code § 56-484.2(A) because the proposed rate increase for one-party residential customers did not exceed five percent (5%) of the existing one-party residential monthly rate. By order dated September 20, 1995, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until November 13, 1995, to file comments or request a hearing on the proposal. No comments or requests for hearing were received.

On October 30, 1995, BA-VA filed proof of notice as required by the Commission's September 20, 1995 Order.

On November 20, 1995, 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 Christiansburg exchange into Citizens' Locust Grove exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Christiansburg exchange into Citizens's Locust Grove exchange 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) This matter is dismissed and the papers shall be placed in the Commission file for ended causes.

CASE NO. PUC950071
DECEMBER 18, 1995

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

To Implement Extended Local Service from the Front Royal Exchange to the Washington Exchange

FINAL ORDER

On August 29, 1995, Central Telephone Company of Virginia ("Centel" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of Virginia Code § 56-484.2, proposing to notify the Company's Front Royal exchange subscribers of the increase in monthly rates that would be necessary to extend their local service to include the Washington exchange. A poll of Front Royal subscribers is not required by Virginia Code § 56-484.2(A) because the resulting increase for one-party residential customers is solely due to rate regrouping. By order dated October 3, 1995, the Commission directed Centel to publish notice of the proposed increase. Affected telephone customers were given until November 27, 1995 to file comments or request a hearing on the proposal. No comments or requests for hearing were received.

On November 27, 1995, Centel filed Proof of Notice as required by the Commission's Order of October 3, 1995.

On December 8, 1995, the Commission Staff ("Staff") submitted its report regarding the Company's application. The Staff recommended that Centel's application to implement extended local service from its Front Royal exchange into its Washington exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from Centel's Front Royal exchange into its Washington 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. PUC950072
SEPTEMBER 28, 1995

APPLICATION OF
MCIMETRO ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

To amend its certificate to reflect new corporate name

FINAL ORDER

On August 31, 1995, MCImetro Access Transmission Services of Virginia, Inc. filed an application requesting authority to amend its certificate of public convenience and necessity. In a certificate issued on October 21, 1994 (Certificate No. TT-22A), Access Transmission Services of Virginia, Inc. ("ATS") was granted authority to provide intrastate inter-LATA interexchange telecommunications services within the State of Virginia. Subsequently, ATS changed its corporate name to MCImetro Access Transmission Services of Virginia, Inc. by a filing recorded in the Clerk's Office of the State Corporation Commission on June 30, 1995.

NOW THE COMMISSION, having considered the matter, is of the opinion that Certificate No. TT-22A should be canceled and a new certificate issued which reflects the correct corporate name of the entity. Accordingly,

IT IS ORDERED THAT:

(1) Certificate of public convenience and necessity No. TT-22A is hereby canceled and Certificate No. TT-22B is hereby issued in the name of MCImetro Access Transmission Services of Virginia, Inc.

(2) There being nothing further to come before the Commission, the matter is hereby dismissed and the papers placed in the file for ended causes.

DIVISION OF ENERGY REGULATION

CASE NO. PUE840025
JULY 14, 1995

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.
(Formerly Columbia Gas of Virginia, Inc.)

For approval of a Special Emergency Assistance Fund Program

DISMISSAL ORDER

By letter of December 16, 1993, Commonwealth Gas Services, Inc. (formerly Columbia Gas of Virginia, Inc.), hereafter "Commonwealth" or "Company") advised the Commission that the Company had finished distribution of funds generated by the Special Emergency Assistance Fund for its final program year, 1991-1992. The letter enclosed copies of the Company's Final Report of Action and requested that this docket be closed.

The Final Report indicates that the Emergency Assistance Fund Program was terminated as of July 31, 1993. The Commission is of the opinion that this docket may now be closed. Accordingly,

IT IS THEREFORE ORDERED that this matter is hereby dismissed and that the papers accumulated herein shall be placed in the file for ended causes.

CASE NO. PUE860079
MARCH 8, 1995

PETITION OF
LAKE WILDERNESS PROPERTY OWNERS ASSOCIATION, et al.

To investigate the service and tariff of Wilderness Water & Utility Company

ORDER GRANTING MOTION TO WITHDRAW AND DISMISS

On March 3, 1995, the Staff of the State Corporation Commission filed its Motion for Leave to Withdraw and Dismiss, requesting the Commission enter an order granting leave for Staff to withdraw its motion for a rule to show cause, filed October 28, 1993, and dismissing the above-captioned action from the docket of active cases. Staff represented that the petitioner herein, Lake Wilderness Property Owners Association, endorsed the motion.

The rule to show cause was sought by Staff against Wilderness Utility Associates, Inc., t/a Wilderness Water & Utility Company. That entity has since transferred its utility assets to Sydnor Water Corporation, by Commission order dated February 17, 1994, in Case No. PUE940009. By order dated December 27, 1994, Sydnor Water Corporation was granted authority to provide water service to residents of the Lake Wilderness subdivision.

NOW THE COMMISSION, having considered the pleading and the record herein, is of the opinion and finds that Staff's motion should be granted. Accordingly, IT IS ORDERED:

(1) That the Motion for Leave to Withdraw and to Dismiss be, and hereby is, GRANTED; and

(2) That there being nothing further to come before the Commission this case is dismissed from the Commission's docket of active cases and the papers herein shall be transferred to the file for ended causes.

CASE NO. PUE890007
MAY 22, 1995

APPLICATION OF
VIRGINIA ELECTRIC & POWER COMPANY

For approval of expenditures for a new generation facility pursuant to Virginia Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.2

DISMISSAL ORDER

On January 26, 1989, Virginia Electric and Power Company ("Virginia Power") filed an application seeking approval under Virginia Code §§ 56-234.3 and 56-265.2 to construct a 218.83 megawatt combined cycle generating unit in Chesterfield County, Virginia. By application of March 15, 1989, Virginia Power also sought approval to construct four combustion turbine generating units totaling 340 megawatts in Henrico County, Virginia. The Commission consolidated the two applications in this docket.

After notice and hearing, the Hearing Examiner issued an Interim Report dated August 9, 1989, recommending approval of the construction of the generating units. On August 25, 1989, the Commission entered an order authorizing Virginia Power to construct the generating units and requiring that the docket remain open to consider the capacity planning issues identified by Hearing Examiner.

In an Opinion and Final Order issued on May 1, 1990, the Commission directed, inter alia, that Staff increase its administrative review of Virginia Power's capacity planning and acquisition process and expand its review of Virginia Power's long-range forecasts filed with the Commission. The docket in this case was ordered to remain open pending receipt of a Staff Report documenting any improvements in Virginia Power's capacity planning and acquisition process, along with any recommendations for future Commission action.

On June 14, 1991, the Staff filed a Staff Review of Virginia Power's Planning Process. The Staff Review noted that Virginia Power had made significant improvements in its planning process, and that Virginia Power's planning process is comprehensive and fundamentally sound. The Staff recommended that the Commission's docket in this case be closed.

NOW THE COMMISSION, upon consideration of the record in this proceeding, finds that the docket in this case should be closed. Accordingly,

IT IS ORDERED:

(1) That this case be dismissed from the docket of active proceedings; and

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

CASE NO. PUE890028
SEPTEMBER 7, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to implement Pilot Central Air Conditioner Control Program, Rider A/C

DISMISSAL ORDER

On May 15, 1989, the State Corporation Commission ("the Commission") issued an order approving Virginia Electric and Power Company's ("Virginia Power" or "the Company") application to conduct a rate experiment for central air conditioner control service (the "Pilot") during the summer of 1989 in order to complement the Company's existing load management programs and reduce future peak-load capacity requirements. The Commission provided that the experimental tariff would expire on November 30, 1989, or until further order by the Commission.

The Pilot was available on a voluntary basis to 400 residential customers in Virginia Power's Eastern Division who had electrically-powered central air conditioning. The customers could choose either the Block Control or Cycle Control method. Under Block Control, the customer allowed the operation of their central air conditioner compressor to be interrupted for a continuous period of up to four hours during a control period. The compressor could be controlled up to thirty times during the four cooling months of June through September. Under the Cycle Control method, the customers allowed their central air conditioning compressor to be controlled for twelve minutes out of each half hour during the four-hour control period. Customers participating in the Block Control received a credit of $20.00 per billing month (June through September) while customers participating in Cycle Control received a $5.00 credit per billing month.

By Amending Order dated May 26, 1989, the Commission granted the Company's request to extend the expiration date until November 30, 1990 so that the Company could collect additional data through the summer of 1990. By Order Extending Experiment dated April 11, 1991, the Commission terminated the Cycle Control method, raised the maximum number of participants to 2,000 customers, and extended the expiration date of the tariff until November 30, 1991. By further Orders Extending Experiment dated March 24, 1992 and January 7, 1994, the Commission granted the Company two additional extensions of the Pilot with the final expiration date becoming December 31, 1994. By Order Granting Amendment to Program dated January 14, 1994, the Commission allowed the Company to offer the Pilot to the Company's Northern and Central Divisions, as well as in its Eastern Division.

By letter dated February 1, 1995, Virginia Power informed the Commission that after analysis of the Pilot, the Company determined that the Pilot was not cost beneficial to the Company and it had a limited potential of attracting customers. Finding the Pilot to be a cost ineffective demand-side management program, Virginia Power terminated the Pilot effective December 31, 1994.

NOW THE COMMISSION, having considered the matter, is of the opinion that the termination of the Pilot was proper and this matter should be dismissed from the Commission's docket of active cases. Accordingly,

IT IS ORDERED that this matter be, and hereby is, dismissed from the Commission's docket of active cases and the papers herein be transferred to the files for ended causes.

CASE NO. PUE890076
OCTOBER 24, 1995

PETITION OF
SMITH COGENERATION OF VIRGINIA, INC.

For arbitration of a purchase power agreement with Virginia Electric and Power Company

DISMISSAL ORDER

On October 23, 1995, Smith Cogeneration of Virginia, Inc. and Virginia Electric and Power Company jointly filed a motion to dismiss this case, with prejudice. The motion states that Smith Cogeneration and Virginia Power have settled the matter to their satisfaction as to the issues submitted for arbitration. We reserve judgment on any ratemaking impact the settlement might have on Virginia Power and find that the motion should be GRANTED.

IT IS ORDERED THAT:

(1) This case is dismissed with prejudice as requested by the parties to the motion.

(2) The Arbitrator shall return to the party from whom it was received, upon the request of such party, each document filed with or submitted to him in camera.

(3) The papers in this case shall be placed in the Commission's files for ended causes.

CASE NO. PUE910050
DECEMBER 13, 1995

APPLICATION OF
APPALACHIAN POWER COMPANY

To amend its Certificates of Public Convenience and Necessity authorizing operation of transmission lines in the Counties of Giles, Craig, Roanoke, and Botetourt: Wyoming-Cloverdale 765 kV Transmission Line and Cloverdale 500 kV Bus Extension

INTERIM ORDER

Before the Commission is the application of Appalachian Power Company ("Appalachian" or "Company") for amended certificates of public convenience and necessity authorizing the construction and operation of the Virginia portion of a 765 kV transmission line that would originate at the Company's Wyoming Substation, near Oceana, West Virginia, and terminate at its Cloverdale Substation in Botetourt County, Virginia, north of Roanoke. In conjunction with the termination of the 765 kV transmission line, Appalachian seeks authorization to construct a bus extension at the Cloverdale Substation.

After extensive public hearings and briefing by the parties and the Commission Staff, Hearing Examiner Howard P. Anderson Jr. filed his Report to the Commission on December 2, 1993. He recommended that the application be granted and that the Company be authorized to construct the bus extension and the Virginia portion of the transmission line over the route proposed by the Company, with minor modifications. Appalachian and several parties to the proceeding filed comments on Examiner Anderson's Report.

The Report provides a well-reasoned and comprehensive review of the evidence presented during the hearing and reflects a sensitivity to the concerns of the public. The Examiner spent extensive time "on the ground" in the affected areas reviewing the proposed and alternate routes, and these commendable efforts are reflected in the Report.

On September 6, 1994, Appalachian moved for an interlocutory order making findings on the need for the proposed transmission line. The Company acknowledged in its motion that any findings would be based on the current record and would be subject to modification in the event the record was reopened. After considering the motion and responses from the parties and the Staff, the Commission denied the requested relief by order of December 6, 1994. We found then that we should not consider need without addressing routing and its environmental impact. The Commission has now more fully considered the record, and we make the interim assessments set out in this Order.

The Commission has considered the extensive record developed in the public hearing, Examiner Anderson's report, and the comments filed in response to that report. As discussed in this Interim Order, we have made a number of preliminary determinations. First, the Commission is of the opinion

that, based on the record before us, there is a compelling need for additional electric capacity to serve Appalachian's Central and Eastern regions, which include its Virginia service territory. Further, based upon the record before us, it appears that the proposed transmission line, along with the bus extension, may be the most reasonable method of addressing this compelling need, and the route recommended by Examiner Anderson may be environmentally acceptable, with appropriate mitigation measures. Specific findings pursuant to applicable statutes will be considered after the additional inquiries set forth in this Interim Order are concluded.

Before final disposition of this application, the Commission finds that Appalachian should further study two segments of the recommended route, the crossing of Sinking Creek Valley in Craig County and the crossing of Carvin Cove Reservoir in Roanoke County, to determine if a route with less environmental impact can be developed. We discuss in greater detail below our concerns about these segments of the proposed route and procedures for this additional study.

Another particular concern is discussed more fully below. A need to analyze further how the line will be used to serve the public interest is now warranted given the passage of time since the record was closed, the Federal Energy Regulatory Commission's proposal to compel open access to transmission facilities,[1] the increased focus on corporate and operational restructuring, and the recent announcement by Appalachian and its parent regarding possible plans for its transmission assets. We will examine the availability of the proposed line to serve Virginia, how it will be operated and what measures may be effective to ensure that any facilities that may be approved in this proceeding will be used as intended--to bring electricity to native load customers in the Commonwealth.

The Proposed Facilities and Routes

Appalachian applied to the Commission on August 15, 1991, for authorization to construct the proposed facilities. The proposed transmission line would originate in West Virginia and extend for approximately 116 miles to terminate north of Roanoke. Approximately 37 miles of the proposed transmission line would be located within Virginia.

Appalachian's preferred route would cross into Virginia in Craig County, approximately 1.4 miles southeast of Waiteville, West Virginia.[2] The route would then proceed in a southeasterly direction, crossing Johns Creek, Johns Creek Mountain, Sinking Creek, and Sinking Creek Mountain in Craig County. The Company's preferred route would then run in a generally south-southeasterly direction into Roanoke County and would cross Fort Lewis Mountain. From that point, the route would generally parallel existing transmission lines to cross Brushy Mountain and Carvin Cove Reservoir and then turn to enter the Cloverdale Substation in Botetourt County.

Appalachian also proposed alternatives for segments of the Virginia routing. One alternative would have the proposed line enter Craig County over Potts Mountain, north of the preferred corridor. This alternative route would then generally proceed southeasterly to cross Johns Creek and connect to the Company's preferred route on Johns Creek Mountain.

Another alternative would deviate from the preferred route south of Sinking Creek in Craig County and then proceed in a north-northeasterly direction paralleling Broad Run, crossing North Mountain, and continuing into Botetourt County where it would turn in a southeasterly direction to intersect and then to parallel the existing Jackson's Ferry-Cloverdale 765 kV Transmission Line.

While the Company already has easements for short segments of the proposed route in the vicinity of the Cloverdale Substation, the preferred route, or any combination of Company-proposed alternatives would require in excess of 35 miles of new right-of-way in Virginia cleared to a width of 200 feet. A combination of self-supporting and guyed-V lattice galvanized steel structures with an average height of approximately 133 feet would support the line's conductors. The minimum clearance between the ground and conductors would be no less than 44 feet.

In conjunction with the construction of the proposed transmission line, Appalachian would also construct a 500 kV bus extension approximately 3,100 feet in length connecting the existing 765 kV yard and the existing 500 kV yard at Cloverdale Substation. This bus extension would require right-of-way cleared to a width of 175 feet for a distance of approximately 1,500 feet outside of the 500 kV and 765 kV yards. The supporting towers would have an average height of approximately 125 feet. The bus extension would be located primarily on Appalachian's property, but a small segment would traverse the edge of an industrial park.

On October 4, 1991, the Commission docketed this application and directed Appalachian to publish notice of the application in newspapers and to notify local governments of the application and its proposed and alternative routes. Public hearings were scheduled in New Castle, Virginia, and in Richmond. Numerous public witnesses spoke at the hearing in New Castle on April 2, 1992. Due to the number of individuals who wished to speak, the Hearing Examiner held an additional hearing in New Castle on April 3, 1992. Public witnesses were also heard in Richmond on April 6 and July 7, 1992. A total of 90 public witnesses made statements at the hearings. The Commission has also received a significant number of written comments.

Testimony and exhibits addressing the need for the proposed transmission line and bus extension and their environmental impacts were presented at public hearings on July 7, 8, 9, and 10, 1992. Another day of hearing, September 14, 1993, was devoted to additional testimony on environmental impact.

In addition to the Company and Staff, various organizations participated fully as protestants in this proceeding. These organizations included the Board of Supervisors of Craig County and the Roanoke Appalachian Trail Club ("Trail Club"), as well as three citizens' groups, Citizens for the Preservation of Craig County, Citizens Organized for the Protection of the Environment of Giles County, and the Roanoke County Preservation League (collectively "Citizen Protestants"). The Jefferson National Forest,[3] U.S. Forest Service, initially protested the application, but changed its status to intervener after commencement of the hearings.

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[1] 60 Fed. Reg. 17662 (April 6, 1995).

[2] An additional alternative route affecting Virginia would consist of a segment of approximately 3,700 feet through Giles County just east of Bluestone Lake. This alternative route would cross into Virginia from West Virginia and then cross back into West Virginia after traversing this short distance.

[3] The U.S. Forest Service recently administratively merged this forest with the George Washington National Forest. This Order will continue to refer to the "Jefferson National Forest."

Positions of the Parties and Staff

Throughout the proceeding, Appalachian took the position that it requires the additional transmission capacity to provide adequate and reliable electric service to its customers in the Company's Central and Eastern regions. During the 1980s, the Company experienced significant growth in peak demand and energy requirements. By 1989, Appalachian's winter peak demand had grown to 5,469 MW for the Central and Eastern regions. The generation resources in these regions total only 1,115 MW.[4] Appalachian asserted that these facts demonstrate its dependence on adequate transmission facilities to provide reliable service to its Central and Eastern regions. The Company's 1991 forecast predicted that, during the next ten years, winter peak demand would grow by approximately 22 percent and energy requirements would increase by approximately 21 percent. By 1998, the Central and Eastern region winter peak demand is projected to reach 6,209 MW. The supply requirements that must be transferred by the regions' transmission facilities are projected to be 5,094 MW in 1998. Although the first contingency transfer capability of the existing transmission facilities was increased in 1991 to 4,075 MW, Appalachian's transmission and generation facilities in the regions are inadequate to meet the 1998 projected peak demand under the first contingency situation. The proposed transmission line would have transfer capability between 950 and 2000 MW, depending upon transmission improvements made by other utilities. It was estimated that the additional transfer capability plus existing capability could serve Virginia's needs to 2010.

Appalachian also offered evidence on its studies with Virginia Electric and Power Company ("Virginia Power") to improve interconnection and transmission capacity. At the time of the application, Virginia Power and Appalachian had one 500 kV interconnection between Appalachian's Cloverdale Substation and Virginia Power's Lexington Substation as well as four 138 kV interconnections. Construction of the new transmission line would improve dependability for the existing 500 kV interconnection. Appalachian could also provide additional power transfer capacity for Virginia Power, other utilities, and nonutility generators.

The Commission notes that Virginia Power's application in Case No. PUE910043 seeks authorization to construct a 500 kV transmission line from its Ladysmith Substation, Spotsylvania County, to Appalachian's Joshua Falls Substation, Campbell County, east of Lynchburg. Virginia Power's proposed line would not physically connect with Appalachian's proposed line, but both utilities would take advantage of the existing 765 kV transmission line between Cloverdale and Joshua Falls to improve interconnection and to facilitate additional power transfers. Virginia Power's application is now pending for consideration before the Commission.

Appalachian commissioned a study team of faculty and graduate students from West Virginia University and Virginia Polytechnic Institute and State University to develop routing for the proposed transmission line. According to testimony and exhibits presented at the hearings, the study team reviewed published literature and maps of a large study area. This published material was supplemented by additional aerial photography and field research. The data were collected and accessed by a computer geographic information system. The study team used the data to consider possible routings.

Testimony and exhibits showed that the study team had eliminated from consideration numerous routing possibilities because of their adverse impact on residential and commercial development or identified natural resources. This process of elimination led to development of the proposed route with the various alternatives previously identified. It was Appalachian's position that the transmission line could be constructed and operated on the proposed route using numerous techniques to avoid or to mitigate adverse environmental impact. Further, Appalachian presented evidence that the proposed transmission line's magnetic fields would not cause adverse health effects.

The Commission Staff offered testimony and exhibits on the need for the proposed transmission line. The Staff did not address the routing of the line or potential environmental impact. Stone & Webster Management Consultants, Inc. was engaged by the Staff to review the application and to conduct an independent assessment of the need for the proposed facilities. Upon completing the study, Stone & Webster concluded that the proposed transmission line was the best means of providing reliable service to Appalachian's Central and Eastern region customers. Stone & Webster determined that, based on its review of Appalachian's existing and projected load and bulk power system, a major transmission addition was needed. The Staff's consultant also noted the benefit to Virginia from enhanced transmission capacity for power transfers.

The Board of Supervisors of Craig County opposes the project on several grounds. The Board questioned certain Appalachian assumptions supporting the need for additional transmission capacity. Further, the Board offered testimony on the current and anticipated economic development and land-use patterns for Craig County. A significant portion of the county's land area is included in the Jefferson National Forest. This land is generally barred from development and exempted from property taxation. The Board saw continued development of agricultural opportunities, including fish farming and grazing, and recreation as the principal sources of employment and revenue for Craig County. The Board feared that construction of the transmission line through Craig County would adversely affect agriculture and recreational opportunities.

The Citizen Protestants oppose the line because, in their view, it is unnecessary and will have an adverse impact on the environment of Craig, Giles, and Roanoke Counties. The Citizen Protestants took the position that Appalachian's corporate parent, American Electric Power Company, had excess generation capacity in the Midwest it wished to sell to eastern markets. The proposed transmission line would enhance these marketing opportunities, and the power was not needed by Appalachian's Virginia customers. With regard to these Virginia customers, the Citizen Protestants contended that competition from natural gas, demand-side management programs, and conservation measures could reduce the rate of increase in demand. Further, improvements to existing generating equipment and transmission facilities could be made. These efforts would, in the Citizen Protestants' view, offset any need for additional transmission capacity to serve Virginia customers.

Turning to adverse environmental impact, the Citizen Protestants offered testimony and exhibits on current uses of land, primarily in Craig County, and the potential adverse impact the line would have on homes and farms. Their testimony also discussed the potential effect on human and animal health from magnetic fields associated with the line. According to the Citizen Protestants, the proposed transmission line would pass over or near numerous historic sites. All these environmental and health considerations, according to the Citizen Protestants, imposed unacceptable costs and adverse impacts on the residents of the three affected counties.

The Trail Club took no position on the need for the proposed transmission line. Rather, the organization concentrated on the impact the line would have as it crossed two segments of the Appalachian National Trail. The Trail Club was concerned about the line's impact on trail users in the

[4] The Company's Smith Mountain and small hydro capacities are not included in the determination of the capacity deficiency in the Central and Eastern regions. The availability of Smith Mountain capacity is a function of reservoir levels and the hydro plants' capabilities are a function of stream flows.

vicinity of the Naiday Shelter in Craig County and the Tinker Mountain-Carvin Cove area of Roanoke and Botetourt Counties. The Trail Club advocated routing the line so as to minimize its visibility from the Appalachian Trail and its proximity to hikers.

The Jefferson National Forest also took no position in this proceeding on the need for the line. As acknowledged in the application, the proposed routing will pass through the Forest if Appalachian can secure a conditional use permit. A conditional use permit will only be issued after preparation of an environmental impact statement as mandated by federal law. As representatives of the U.S. Forest Service explained, the process for preparing the environmental impact statement is underway. The U.S. Forest Service is the lead agency preparing the environmental impact statement, but several other federal agencies with an interest in the routing of the line will participate. The environmental impact statement will consider numerous impacts the line would have on the Jefferson National Forest and the Appalachian Trail in Virginia. According to the most recent information available, a draft environmental impact statement will be released in April, 1996.

Need for the Proposed Project

The Commission is of the opinion that the public convenience and necessity[5] may require the construction of facilities to supplement the electrical capacity available for utilization by Appalachian's customers in its Central and Eastern regions, which include its Virginia service territory. Based upon the record before us, it appears that the proposed transmission line can most reasonably supply the required capacity and, depending on our review of the additional information requested herein, we will consider the issuance of the requested certificates for construction of the proposed transmission line and bus extension. The evidence before us demonstrates that a transmission line may be needed by Appalachian to provide reliable electric service to the public in its service territory. As set out in the Examiner's Report, the construction of the transmission line will provide certain ancillary benefits as well. Finally, the 500 kV bus extension may, therefore, also be needed to provide reliable electric service by Appalachian in its Virginia service territory.

In its Order Denying Motion for Interlocutory Order as to Need, issued December 6, 1994, in this proceeding, the Commission rejected the Company's request that it determine the need for the project before it determined the appropriate route. The Commission adheres to its earlier stated observation that a determination of need should not be made independently of the health, safety and environmental impacts of the proposed route. If any further proceedings result in significant modification of the route recommended by the Examiner, the Commission will consider the need for, and the health, safety and environmental impacts of the transmission line construction on any alternate route. If further study cannot improve the route, the Commission may find that the public convenience and necessity requires the issuance of the certificates as recommended by the Examiner.

Based upon the record before us now, it appears that major additional transmission capacity is needed to serve native load customers in Appalachian's Central and Eastern region service territory. Appalachian is a member of the American Electric Power ("AEP") system. AEP has several operating subsidiaries in addition to Appalachian, and plans its power generation and transmission systems to serve all the subsidiaries. Appalachian has not, therefore, enjoyed complete autonomy to plan for meeting its native load on its own, but has been dependent on the system planning of its parent. Over the years, a combination of growth in Appalachian's service territory and AEP's addition of generating capacity in other of its operating companies' service territories has left Appalachian in the position of being capacity deficient. In 1989, for example, Appalachian had installed generation capacity of 5,859 MW, but had a supply resource requirement[6] in excess of 7,200 MW.[7] Further, the vast bulk of Appalachian's generation resources is situated in its Northern region of its service territory within West Virginia. Its 1989 capacity deficiency in the Central and Eastern regions, which include its Virginia service territory, was over 4,300 MW. These deficiencies are projected to increase in coming years. AEP, at present, plans no new capacity additions for Appalachian[8] until the year 2003, and those units will add only 330 MW of generating capacity. For sufficient reasons, discussed below, Appalachian determined that additional generation is not a reasonable solution to the capacity deficiency in its Central and Eastern regions. Appalachian will continue to need substantial additional supply resources in its Central and Eastern regions for the foreseeable future.

Witnesses for the Company, the Staff and the Citizen Protestants addressed how best to meet this deficiency, analyzing alternatives that included reinforcement of existing transmission facilities, construction of additional generating capacity, purchase of power from other suppliers, re-powering of existing facilities, increasing conservation and demand side management efforts, and various transmission scenarios. We agree with the Examiner's conclusion that, upon the present state of the record, construction of the proposed 765 kV transmission line best meets Appalachian's needs.

As noted, Appalachian currently has a substantial supply deficiency in its Central and Eastern regions. Electrical needs in these regions are met by supply provided from the Northern region over two 765 kV lines, one 345 kV line and six 138 kV lines.[9] Additionally, Appalachian operates numerous substations, subtransmission and distribution facilities. The evidence indicates that, under the first contingency situation, all of these transmission facilities would be operating at or near maximum capacities. Appalachian has expended considerable resources upgrading its existing transmission facilities in order to delay the need for a major new transmission project, but the need for additional transmission capacity to provide reliable service to the Central and Eastern regions, including the Virginia service territory, appears clear.

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[5] Virginia Code § 56-265.2 makes it "unlawful for any public utility to construct, enlarge, or acquire, by lease or otherwise, any facilities for use in public utility service . . . without first having obtained a certificate from the Commission *that the public convenience and necessity require the exercise of such right or privilege*." When such facilities comprise overhead electrical transmission lines of 150 kilovolts or more, compliance with the requirements of Code § 56-46.1, as referenced herein, is also required.

[6] That is, sufficient generation or other resources to meet the peak load, plus a 20% reserve margin.

[7] Exhibit SAM-26, at Exhibit 3, p. 2, of attached "Virginia State Corporation Commission Needs Assessment, 765 KV and 500 KV Transmission Plan, Appalachian Power Company" (the "Stone & Webster Report").

[8] On a system-wide basis, AEP has sufficient generating capacity to supply Appalachian's demand.

[9] Stone & Webster Report, at 17.

Transmission studies conducted by Appalachian, and reviewed by the Staff's consultants, demonstrate that without the significant transmission enhancement provided by the proposed line, by the winter of 1998-99 operation of existing facilities will become "dangerously inadequate, with numerous serious line overloads and potentially catastrophically low voltages conditions."[10] The Stone & Webster report stated:

> When transmission loadings on several facilities exceed emergency ratings and widespread low voltages occur at 138 kV and EHV stations, the power system can become unstable. In load flow simulation studies, this situation will manifest itself by the inability of the computer to solve the load flow case, indicating a potential blackout situation.
>
> Line loadings in excess of emergency ratings can readily result in massive equipment failures, that in turn will lead to a series of cascading outages that can produce a wide-scale blackout. A utility facing such contingencies will, of course, resort to managed load curtailment in order to avoid the danger of uncontrolled cascading outages. However, it must be recognized that such curtailments represent a profound degradation of service to its customers.
>
> The disastrous simulated transmission conditions described above for the 1998/99 winter conditions resulted when power deliveries to serve native load were attempted to the APCo Central/Eastern Area that were required for minimum acceptable reliability levels. The transmission system, without the proposed transmission project, was shown to be incapable of making the necessary power deliveries.[11]

Thus, without substantial transmission improvements, severe consequences are likely. The necessary improvements, the evidence before us demonstrates, cannot come from continued modification of existing facilities.

First, existing transmission lines in the area are fully loaded and many of these simply cannot easily be taken out of service for the extended periods needed for replacing and upgrading conductors, or rebuilding to higher voltage classes. Removal of any of the lines for extended periods imposes additional stresses on those remaining in service as the power formerly carried by the removed line flows over those remaining. While re-conductoring the existing lines would provide relief for thermal loading problems, it would not ameliorate voltage stability problems. Rebuilding the lines is in many instances impossible because additional rights-of-way cannot realistically be acquired.

Further, simply building additional 138 kV lines is not reasonable because a significant number of such lines, all of which would have to be sited and which would require acquisition of additional rights-of-way, would have to be built to provide the needed capacity. One 765 kV line can carry fifteen times the electrical energy that can be carried by a 138 kV line.[12] The aggregate environmental impact of fifteen additional 138 kV lines, assuming fifteen such routes could be identified, can be expected to exceed significantly that of a single 765 kV line. Therefore, it is apparent on this record that the necessary transmission improvement can best be met by construction of an extra-high voltage line, as opposed to the construction of numerous lower voltage lines.

Appalachian also considered and rejected several other transmission options for such construction before proposing the current Wyoming-Cloverdale route. Each of the alternatives proved either to be more expensive, longer, less reliable, or more environmentally burdensome than the proposed route. For instance, Appalachian considered construction of a single 765 kV transmission line from its Amos Substation in West Virginia to connect with either its Matt Funk or Cloverdale Substations in Virginia. These options were rejected by the Company because, in part, they would be about 50 miles longer and impose greater environmental impacts than the proposed route. Also, either of these lines would be at least $50,000,000 more expensive than the proposed route. Similarly, Appalachian rejected other single-line transmission options because they would not provide adequate capacity or required improvements in system reliability, or because they would be subject to contingency overloads. Lines that would terminate at Jacksons Ferry or Lurich were rejected for these reasons.[13] In short, no other transmission solution developed on this record is as advantageous as, let alone superior to, the proposed project in terms of cost and environmental impact.

Several witnesses expressed a desire that the capacity deficiency be resolved not through the construction of the proposed transmission line, but through construction of additional generation supply near the site of the system loads. However, the present record demonstrates that there are no reasonable generation-based solutions to the overall deficiency in Appalachian's Central and Eastern regions. First, there are no independent producers, qualifying facilities or other utilities to supply purchased power in quantities sufficient to displace the need for the proposed line. Further, none of the utilities to the south of Appalachian will have spare capacity to sell to Appalachian for the period over which the transmission line is expected to render service.[14] Moreover, there are few available sites in Southwestern Virginia for base-loaded generating plants, because of a lack of adequate supply of water, among other reasons.[15] Even if sites that physically could support a generating plant could be found, there would still be the need to connect these new plants to the power grid with new transmission lines, to say nothing of the additional impact that such new generating stations and lines would have on the environment. Additionally, as detailed at page 21 of the Examiner's Report, construction of generating capacity sufficient to match the capacity made available by the proposed transmission line would be significantly more expensive than the cost of constructing the line. The problem is not a

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[10] Id., at 26.

[11] Id., at 27 (Emphasis added).

[12] Ex. BMP-2, Schedule 5, at 6.

[13] Id., Schedule 4.

[14] Id., at 38.

[15] An Appalachian study located only one site in Southwest Virginia capable of supporting an 800 MW coal-fired power plant. Stone & Webster Report, p.34, footnote #27.

dearth of available, modestly priced AEP generating capacity,[16] but the lack of transmission capacity to transfer the generated power into the Company's Central and Eastern regions. Assuming the continued availability of such capacity at reasonable rates, a transmission line to serve Appalachian's customers appears to be the most economical alternative to meet the Company's needs.

The Citizen Protestants maintained that demand-side management ("DSM") programs and conservation measures could combine with other generating and transmission improvements to offset any need for additional transmission capacity to serve Virginia customers. Although the Commission, like the Hearing Examiner, believes that the potential for peak demand and energy reductions certainly exists and that greater peak demand and energy reductions may be realized, the record does not support a finding that this potential, coupled with other generation and transmission alternatives, can reasonably be expected to displace the need for the proposed line. The record demonstrates that a major transmission enhancement has been needed since 1989. It is unrealistic to believe that DSM can provide a major offset to all post-1989 load growth, including that yet to be experienced. In fact, as noted earlier, this line enhances the transfer capability into the Central and Eastern regions by at least 950 MW, [17] and up to 2,000 MW, depending on timely regional transmission reinforcements made by other utilities. [18] If the transfer capability is only enhanced by 950 MW, DSM may well be needed to maintain supply reliability. In any event, DSM is likely to be needed to augment the line in order to provide reliable service to Appalachian's Central and Eastern regions over the long term.

The proposed 765 kV transmission line would greatly reduce transmission line losses that are reflected in the determination of Appalachian's capacity and energy requirements. Mitigation of these losses will serve to decrease the Company's capacity and energy deficiencies and subsequent allocations of cost from its AEP affiliates. The proposed line will reduce Appalachian's capacity deficiency by 63 to 67.3 MW[19] through the reduction of line losses and have a comparable effect on the Company's energy requirements. Stone & Webster estimated that the reduction in losses would have a 1998 net present value of $278 million to $323 million based on equivalent generating unit additions.[20] In essence, line loss savings produced by the line will offset much of its cost.

Construction of the proposed transmission line is also expected to produce ancillary benefits,[21] among which is an increase in Appalachian's ability to accommodate firm and economy power sales to eastern markets. The Commission notes the increased interchange capability, but any decision to approve this application will rest on improving Appalachian's ability to provide reliable service to its own customers and to satisfy the public convenience and necessity of the Commonwealth's ratepayers. We also note that the interconnection improvement will improve Appalachian's ability to import power from outside its service territory, as well as to export power to other markets, both of which can benefit Appalachian's customers.

The regional transfer capability of the proposed 765 kV line will vary, depending on regional transmission reinforcements by other utilities. The Examiner noted, and we agree, that Appalachian should pursue arrangements with other utilities in the ECAR, PJM and VACAR regions[22] to ensure that maximum transfer capability of this line is realized. Accordingly, we direct the Company to submit to the Commission a report detailing the regional transmission reinforcements made since the closing of this record, the anticipated transfer capability of the proposed line with these reinforcements, other planned reinforcements or improvements and the estimated completion dates of these additional reinforcements or improvements, and the Company's efforts to ensure and encourage further regional reinforcements needed to maximize the transfer capability of the proposed line.

Recommended Route

The Hearing Examiner recommended the approval of the Company's proposed route with one minor exception. That deviation from the Company's proposed route, more fully described at page 51 of the Examiner's Report, would shift the line approximately 2,500 feet north of the proposed route where it crosses Route 621 in Craig County in order to minimize the line's impact on the Appalachian Trail.

Following the submission of the Examiner's Report and the comments and exceptions thereto, the Commissioner having administrative responsibility over utility regulation, together with members of the Commission's Staff, and representatives of the Company and the Citizen Protestants, overflew the entire proposed route and the principal alternative corridors by helicopter, walked portions of the Appalachian Trail and inspected the Carvin Cove area from the ground. At a later date, the Commissioner and Staff members spent additional time driving along roadways in the Sinking Creek Valley in Craig County and the Carvin Cove area in Roanoke and Botetourt Counties, walking portions of the proposed route, and viewing other locations affected by the proposed route.

Based upon a review of the entire record, including the briefs, the comments and exceptions, and the transcript of testimony, and depending on the outcome of the further review ordered herein, the route proposed by the Company, with the modifications recommended by the Examiner and the mitigation measures to be more fully described later, may adequately meet the requirements of Virginia Code § 56-46.1. The Commission is of the opinion, however, that the matter of the final route selection should be further developed.

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[16] The embedded cost of capacity for the AEP capacity excess companies ranges from $255/KW to $484/KW. (Ex. CAS-66, at 71.) By comparison, the Stone & Webster report concluded that new coal-fired generation capacity would cost $1315/KW. (Stone & Webster Report, at 34.)

[17] Ex. BMP-2, at 51.

[18] Stone & Webster report, at 41.

[19] Id., at 34.

[20] Id., Exhibit 16.

[21] The line may enable Appalachian to fulfill the goals established in Va. Code § 56-46.1.D.1 to provide wheeling service for power generated by qualifying facilities and other nonutilities and sold to public utilities.

[22] Respectively, the East Central Area Reliability Coordination Agreement, the Pennsylvania-New Jersey-Maryland power pool, and the Virginia-Carolina Area reliability subregion.

No electric transmission line of this size can be constructed without substantial impact on the environment, but the route recommended by the Examiner may meet the statutory directive to reasonably minimize such impacts. The Commission shares the misgivings voiced by the Examiner, however, with regard to the proposed crossing of Sinking Creek Valley in Craig County and is further concerned about the proposed crossing of the Carvin Cove Reservoir.

The Commission finds, as did the Examiner, "that this transmission line will have a significant impact on what is otherwise a relatively unmarred landscape" as it passes through the Sinking Creek Valley in Craig County. The area presently proposed for the valley crossing is predominantly open land where the visual impact of the crossing will be significant. Additionally, the proposed crossing impacts several residences and areas of historic interest.

Virginians in all parts of the Commonwealth evidence a deep and abiding affection for their land; none more so than those who spoke so eloquently[23] during the public witness portion of the proceedings about their attachment to the beautiful Sinking Creek Valley. One speaker noted that the land on which she and her family lives has "belonged to my family since my great-great-grandfather settled here when he came to this country from Ireland. My children are the seventh generation to live on this farm. It is not land we could easily see spoiled or to give up."[24] Another noted that his "great, great, great, great, grandfather" had bought a farm on Sinking Creek and that with "my father, my grandfather and myself, that makes eight generations to take pride in, to preserve, and to labor on this farm . . . You see, there's a persistent tradition in the Farrier family to love our land and to take pride in conserving and preserving it."[25] The Commission is not unmindful that construction of this transmission line will forever alter the relationship that affected citizens have with their land. Yet, the record before us convinces us that construction and operation of additional transmission facilities is needed in order to meet demands for power and to prevent severe degradations in service reliability in this area of the Commonwealth. As noted earlier, failure to provide transmission support in Appalachian's Central and Eastern regions has serious consequences.

The Sinking Creek Valley is already traversed by other transmission lines near its lower end, well to the south of the proposed route. The Company is directed to study the feasibility of shifting the line south of the Sinking Creek Valley, or of crossing the valley in, near or along one of the existing rights of way where the incremental impact of the crossing of the valley will be lessened. All alternatives considered shall be identified, and any deemed feasible by the Company shall be described in detail.

The primary focus of the additional study is to determine whether the valley can be avoided altogether, or at least crossed with minimal additional visual and environmental impact using one of the existing rights of way. In the event that these options prove inadvisable, the study should determine whether there are, as the visual inspections referenced earlier seem to indicate, other locations within the valley where the visual and environmental impacts of the line's crossing can, because of the topography of the landscape or the presence of screening vegetation, be diminished.

The other section of the recommended route that will be subject of the further study is the portion of the line proposed to cross the Carvin Cove Reservoir. The Company is directed to study further whether the line can be located along the eastern side of the reservoir utilizing the existing rights of way there. The proposed route departs from the existing right of way at the southern end of the reservoir and runs along its western side, which necessitates crossing the reservoir near the public boat landing. The visual impact of this crossing is difficult to overstate. The Company is directed to consider alternatives that make use of the existing rights of way along Green Ridge to the east of the reservoir.

In conclusion, we direct Appalachian to study whether improvements in the route in the two specific locations, or in the construction techniques to be employed, could further mitigate the line's impact on the environment, and to file the results of its study within 90 days of the issuance date of this Order. We will further permit the parties and the Staff to file comments on the study not later than 60 days from the date upon which Appalachian files the study. Thereafter, the Commission will establish further procedures, as deemed appropriate, based upon its evaluation of the study and the responses of the parties and Staff. We are mindful that, should it appear that consideration of a route significantly different from the route described in the notice is desirable, additional notice of the new route must be published and interested parties in the newly affected area must be afforded the same protection as those interested parties affected by the route described in the original notice.[26]

The Commission emphasizes again, however, that the route recommended by the Examiner may be adequate to the requirements set forth in the Virginia Code, based upon the record before us. In the event that the further investigation and study ordered herein does not result in the hoped-for improvements in mitigation of the impacts of the route, the Commission may issue a final order approving the construction of the line as recommended by the Examiner.

Mitigation Measures

In its testimony and exhibits supporting its proposed route, Appalachian identified a number of environmental concerns and outlined specific mitigation measures the Company would follow to avoid or reduce adverse impacts. The Commission recognizes Appalachian's systematic efforts to identify environmental problems and mitigation measures, as well as those measures identified and recommended by other participants in this proceeding. The Company, through its witnesses, has pledged to implement many of these mitigation measures.

The Commission has carefully considered all of the evidence offered on measures intended to avoid or to eliminate adverse environmental impact from construction and operation of the 765 kV transmission line. As we have stated in previous orders, the Commission expects electric utilities subject to its jurisdiction to construct and operate all of their facilities in an environmentally responsible manner. The Commission also expects electric utilities to secure all necessary environmental approvals from federal and state agencies and adhere strictly to regulations, practices, and other directives from those agencies.

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[23] See, particularly, Transcript of Evidence ("Tr. __) pp. 485-90. (Testimony of Jane Echols Johnston.)

[24] Tr. 91. (Testimony of Rachel D. Mattox.)

[25] Tr. 255, 256. (Testimony of William Lewis Farrier, III.)

[26] See, Code § 56-46.1.

We will address mitigation in some detail in any final order authorizing routes and issuing amended certificates of public convenience and necessity, and thus defer specific findings and directions at this time. As previously discussed, we anticipate receiving additional information on the proposed line. This additional information may bring to light other mitigation techniques that Appalachian should follow. Further, as previously noted, the U.S. Forest Service and other agencies now plan to release their draft environmental impact statement in April, 1996. This document may suggest additional mitigation measures we would expect Appalachian to consider and to adopt when warranted.

For the reasons stated above, the Commission will defer further discussion of mitigation measures until we address the subject in our final order.

Intended Benefits of the Line

Since the closing of the record herein in 1993, the electric utility industry has undergone a period of unprecedented upheaval, beginning, in some respects, with the passage of the Energy Policy Act of 1992. The wholesale electricity markets are changing and there have been calls for legislative measures to restructure the entire electric utility industry.

On March 29, 1995, the Federal Energy Regulatory Commission issued its Notice of Proposed Rulemaking and Supplemental Notice of Proposed Rulemaking ("the rulemaking" or "NOPR") in Dockets RM95-8-000 and RM94-7-001. The NOPR, both a response to and a catalyst of the industry restructuring now underway, seeks to promote competition through open access transmission and, if adopted, would require electric utilities to file open access electric transmission tariffs for comparable transmission services. These policies could impact existing customers through the reservation of transmission capacity and through transmission service priorities and curtailments.

The rulemaking raises a number of questions regarding the utilization of electric transmission lines that have been or may be built to assure reliable service to existing customers. We are concerned about the future use of the proposed line, which will have a significant impact on the citizens of Virginia. The NOPR has the potential of shifting a utility's focus from traditional core businesses to bulk power markets. While revenues from off-system sales currently serve to lower cost of service for the Company's ratepayers, overemphasis on what has traditionally been a small portion of a utility's overall business could detract from service to traditional native load customers. Moreover, changes in the organizational structure and operational aspects of an electric utility system can have potentially significant impacts on the economic and operational benefits of a transmission line. The Company, through its affiliation with AEP, is well poised to take advantage of competitive bulk power markets and will in all likelihood seek to capitalize on these new competitive opportunities.

The FERC rulemaking, and possible corporate changes, could create a number of situations where utilities may be tempted to give secondary consideration to native load interests. For example, the NOPR indicates that utilities may include forecasts of retail loads in projections of available transmission. A possible implication is, of course, that utilities may also exclude such forecasts. We fully expect AEP and Appalachian to include good faith projections of retail loads in determining transmission capacity and to preserve control over and access to sufficient capacity to serve its native load customers reliably across its long-term planning horizon.

Those companies, particularly AEP, have even more recently raised new and additional concerns regarding this application. As noted earlier in this Order, Appalachian is and has been dependent on the system planning of AEP. The deployment of generating and transmission assets and the manner in which cost responsibility for those assets is distributed among Appalachian and its sister operating subsidiaries of AEP has, for decades, been planned by AEP for the operating companies and governed by various inter-company agreements. The Commission is concerned that any revision to those agreements, or any planned or anticipated revision to the corporate or operational relationships among the affiliates, may affect the manner in which the proposed line will be operated, how the costs and benefits of the proposed line will be allocated, or both.

Therefore, we direct the Company to explain how the public interest of its native load customers will be protected and how the line will serve the purpose for which it is intended, from an operational and economic perspective. The response should include the measures, if any, that AEP and Appalachian will undertake to seek to ensure that the benefits of the line will be received by Appalachian's customers. We also request that all other parties to this proceeding advise us of measures that can and should be required before the line is approved. The Company is directed to file, and the Staff and other interested parties are permitted to file, the requested response regarding public interest protection measures within 60 days of the issuance date of this order. Replies by any party (or Staff) to the comments of any other party (or Staff) may be filed not later than 60 days thereafter.

Conclusion

In conclusion, this Interim Order requires Appalachian to provide additional studies or responses in three areas: first, it is directed to report actual and possible improvements in the regional transmission reinforcements affecting the capacity of the proposed line; second, it is directed to review possible improvements in the route for the proposed line at Sinking Creek Valley and Carvin Cove Reservoir; and finally, it is directed to provide a discussion of the concerns expressed immediately above about the usage and operation of the proposed line to serve the public interest in light of the proposed changes in the industry, including the proceedings in the FERC open access transmission docket and possible future functional restructuring by AEP.

Accordingly, IT IS ORDERED THAT:

(1) Within 90 days of the date of this Interim Order, Appalachian shall file with the Clerk of the Commission its studies on the route alternatives directed herein and shall simultaneously serve one copy of all such studies on each party;

(2) Within 60 days of the filing of the studies directed in Paragraph (1), the parties and the Commission Staff may file with the Clerk of the Commission and serve one copy on Appalachian, the other parties, and the Staff, comments on the studies ordered in paragraph (1);

(3) Within 60 days of the date of this Interim Order, Appalachian shall file with the Clerk of the Commission its response regarding measures necessary to protect the public interest in light of the ongoing electric industry changes, and shall serve one copy on each party;

(4) Within 60 days of the date of this Interim Order, the parties and the Commission Staff may file responses regarding measures necessary to protect the public interest, and each party (and Staff) who so files shall serve one copy on each other party;

(5) Within 120 days of the date of this Interim Order, Appalachian, the parties and the Commission Staff may file reply comments to the responses submitted under Paragraphs (3) and (4) above;

(6) Within 60 days of the date of this Interim Order, Appalachian shall file with the Clerk of the Commission a report detailing the regional transmission reinforcements and improvements and shall serve one copy on each party; and

(7) The parties may pursue discovery on the issues raised herein, pursuant to the Commission's Rules of Practice and Procedure, from the date of this Interim Order.

CASE NO. PUE910076
DECEMBER 12, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, In re: Revision of Commission rules governing public utility rate increase applications

DISMISSAL ORDER

In March, 1991, the Commission's Staff recommended that we study our rules governing rate increase applications filed by public utility companies ("rate case rules"). The rules were originally adopted in Case No. PUE820056 on December 4, 1984. Several amendments were made in Case No. PUE850022 in our Final Order of August 21, 1985.

On September 30, 1991, we received our Staff's report with respect to whether the rate case rules should be amended. The Staff suggested substantial revisions to the rules, and, by order of December 13, 1991, we published the proposed revisions for public comment. Initially, public comments were received through April, 1992, and we received additional public comment and oral argument on the proposed rules in May 1993.

During our consideration of this case, the utility industries to which the proposed rules would apply have experienced significant change. Industry restructuring in the natural gas industry has been underway for some years. In recent months, changes in the organization of the electric industry have accelerated, and a significant reorganization of that industry may be imminent. Change in the telephone industry has already been the subject of extensive regulatory response and significant state legislation. All of these rapid changes affect the consideration of rules to govern utility ratemaking.

While innovative regulatory methods will be necessary to respond to utility industry change, in general, our current rate case rules can be adequately applied where traditional ratemaking is to continue. Given the uncertainty in the utility industries, we do not believe it is appropriate to amend our ratemaking methodology now. Our existing rules will remain effective for the present.

NOW THE COMMISSION, upon consideration of the entire record in this case, is of the opinion and finds that this case should be dismissed. Accordingly,

IT IS ORDERED THAT:

(1) No changes shall be made to the currently effective rate case rules at this time.

(2) This order shall be published in the Virginia Register.

(3) This case is dismissed and the papers herein shall be placed in the Commission's files for ended causes.

Commissioner Moore took no part in the consideration of this case.

CASE NO. PUE910081
OCTOBER 17, 1995

APPLICATION OF
PATOWMACK POWER PARTNERS, L.P.

For approval of expenditures for generation facilities pursuant to Va. Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2

ORDER DENYING APPLICATION

In 1991, Patowmack Power Partners, L.P. ("Patowmack" or "PPP") filed an application seeking Commission approval and certification of an independent power production facility with a capacity of 315 MW, to provide peaking capacity and energy for delivery to Potomac Electric Power Company ("Pepco"), operating in Maryland and the District of Columbia. PPP's then-proposed facility would be sited in Louduon County, Virginia. The original application was continued generally when the regulatory commissions of Maryland and D.C. refused to approve Pepco's applications for pass through of the cost of the purchased power.

In March 1995, the Commission Staff ("Staff") filed a motion to dismiss the application. PPP responded with an amended application, which seeks approval and certification of a 185 MW "demonstration plant," to be operated on behalf of Siemens AG, a manufacturer of power generation equipment. There is no committed purchaser of the plant's capacity at this time. As proposed in the amended application, PPP expected to secure a contract for the output of the plant within 18 months. Until then, the plant would be operated primarily to demonstrate the reliability of the Siemens' turbine. However, energy from the plant would be sold to Virginia Power during the demonstration phase.

This matter was to be heard on September 11, 1995. Prior to that date the Commission granted a motion filed by the Southern Environmental Law Center ("SELC") to continue the evidentiary portion of the hearing in order to permit SELC to file testimony. The Commission heard from a number of public witnesses on September 11 and continued the remainder of the hearing to October 11, 1995. The Commission heard from one additional public witness and received evidence and argument from the parties[1] on October 11-12, 1995. Testifying on behalf of Patowmack were Rudolph J. Hoefling, Richard F. von Hollen and Elizabeth Barfield. Catherine M. Lacy testified for the Commission Staff.[2] The SELC's witness was Stephen G. Brick and Glenn B. Ross and Kenneth A. Miller testified on behalf of Virginia Power.

NOW THE COMMISSION, having considered the public comments, the evidence of record, and the briefs, comments, and argument of the parties and the Staff, as well as the applicable statutes and rules, is of the opinion and finds that Patowmack's application must be denied. The Commission is unable to find, from this record, that the public convenience and necessity require the issuance of Patowmack's requested certificate.

Patowmack originally sought a certificate of public convenience and necessity pursuant to Code of Virginia § 56-265.2 and approval of expenditures for generating facilities under Code § 56-234.3. In its amended application, Patowmack maintained that the Commission had no jurisdiction over its proposed facility since it was not a public utility or, alternatively, that the Commission should refrain from asserting its jurisdiction on the grounds that PPP's operation of the facility was not affected with the public interest. The Commission does not find support in the record for either of those positions.

Code § 56-265.2 makes it unlawful for any public utility "to construct, enlarge or acquire . . . any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege." Code § 265.1 broadly defines "public utility" as any company[3] "which owns or operates facilities within the Commonwealth of Virginia for the generation, transmission or distribution of electric energy for sale[.]" Patowmack proposes to own and operate just such a facility and, thus, is a public utility. The Commission rejects Patowmack's contention that, until such time as it completes the construction of its power plant, it can not be considered a public utility.

Further, Code § 56-234.3 requires "any electric utility subject to the jurisdiction of the State Corporation Commission intending to construct any new generation facility capable of producing 100 megawatts or more of electric energy" to obtain Commission approval of its proposed construction "[p]rior to construction." The Commission is required to "review the petition, consider the testimony given at the public hearing, and determine whether the proposed improvements are necessary to enable the public utility to furnish reasonable adequate service and facilities at reasonable and just rates." As used in this section, the term "public utility" means any company, individual, or association of individuals "that now or hereafter may own, manage or control any plant or equipment . . . for the production, transmission, delivery or furnishing of heat, chilled air, chilled water, light, power, or water, or sewerage facilities, either directly or indirectly, to or for the public."[4] Patowmack clearly fits within this definition of "public utility" as well.

Although its plans for the proposed power plant have changed during the course of the application,[5] Patowmack's witness Mr. Hoefling acknowledged that power produced by the plant even during the demonstration phase of its operation is intended to be sold under contract or on the spot market.[6] Insofar as any power produced by the facility is delivered into the electric transmission grid, that power will be sold and furnished, directly or indirectly, to the public. The Commission finds no basis to decline to assert its jurisdiction on the basis that Patowmack's contemplated sales of electricity will be incidental to its primary purpose of demonstrating its turbine.

Likewise, the Commission finds no basis to decline to assert jurisdiction on the grounds that Patowmack's operation of its proposed facility is not affected with the public interest. The General Assembly has declared, in Code § 56-265.1, that facilities that generate, transmit or distribute electric power for sale are affected with the public interest, unless the operation of such facilities fits within certain express exemptions. The language is clear.[7] Moreover, one of these exemptions is for any company "generating and distributing electric energy exclusively for its own consumption." The presence of this specific exemption certainly means that any sale of power renders the owner or operator of generation facilities a "public utility." Patowmack's proposed operation includes, at a minimum, continuing incidental sales of energy on the open market and, at a maximum, aggressive marketing of the entire capacity of its plant. We must find that Patowmack is a public utility and apply Code §§ 56-234.3 and 56-265.2.[8]

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[1] Patowmack, Staff, Virginia Power, and SELC sponsored witnesses. The Virginia Committee for Fair Utility Rates ("Committee") intervened, filed a brief, and offered argument, but did not otherwise participate in the hearing.

[2] Staff witness John Ballsrud's testimony was received without cross-examination.

[3] "Company" includes a partnership.

[4] Code § 56-232.

[5] The period in which the plant will be used primarily for demonstration purposes is now contemplated to extend through the year 2005, rather than for 18 months, as originally intended. (Tr. 154)

[6] Tr. 155.

[7] The language of § 56-232 is equally clear.

[8] Should all the energy produced by the facility be dissipated by a water brake, as mentioned by Mr. Hoefling (Tr. 134) or other means, Patowmack would not be a public utility.

Because the Commission finds that Patowmack is a public utility within the Code sections mentioned above, and because the Commission is required to approve and certificate the proposed construction, Code § 56-46.1 requires the Commission to "give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact."

The Commission is empowered by the Code of Virginia to issue the requested certificate only if it finds that the "*public* convenience and necessity require" its issuance. The Commission is unable to find that the public convenience and necessity require the construction of this plant. The plant is clearly being built, and for the foreseeable future will be primarily operated for a private purpose, though its operation affects the public interest. Virginia Power has no present need for the capacity of the plant. No other prospective purchaser has contracted for its output. The Commission cannot find that the power to be produced by the plant is presently needed. Nor can the Commission find adequate assurance that the power to be produced by the plant will be available to meet the needs of Virginia customers at the point in the future when that need is expected to arise. Patowmack forthrightly acknowledges that it intends to operate in the demonstration mode until after the turn of the century, and while it has expressed a willingness to make the plant's output available to meet the public's need, it has also stated an intention to market the plant's capacity aggressively up and down the Eastern seaboard. It would be pure speculation to determine that the public convenience and necessity[9] require the construction of this plant to meet future needs.[10]

Along with its consideration of the public need and convenience, the Commission must also consider the environmental impacts of the facility. Unquestionably, the plant will emit a substantial amount of one of the components of ozone into a serious ozone non-attainment area in our Commonwealth. The ability of the state to bring this area into attainment may be made more difficult and costly by the presence of the plant's increment of pollutants.[11] The predecessor agency to the Department of Environmental Quality issued Patowmack its necessary air permits, the Environmental Protection Agency upheld this decision, and the Commission is neither authorized nor inclined to second guess these agencies in the fulfillment of their mission to protect the environment. However, the Commission is required to consider the effect of the facility on the environment and to establish conditions necessary or desirable to mitigate adverse impacts. The parties agreed that Code § 56-46.1 requires the balancing of the public's need for the facility against the environmental impact caused by the facility. In the instant case, the public need evidence is scant and adverse impacts would be likely.

Applying the plain meaning of the statutes, the Commission is unable to grant the requested application. The Commission recognizes that the statutes that it is called upon by this application to construe date back, in some cases, at least 45 years and may not adequately address the needs of an evolving and increasingly competitive electricity market. The Commission has recently undertaken an investigation of its policy and statutory authority in this regard and specifically intends an "evaluation of certification procedures for construction of generation facilities."[12] This investigation might reveal a need to suggest revision of some or all of the sections of the Code at issue here. At present, on the record before us, the Commission can find no statutory basis for authorizing the construction of Patowmack's proposed facility. Accordingly, IT IS ORDERED:

(1) That the application of Patowmack be, and hereby is, denied; and

(2) That, there being nothing further to come before the Commission, the papers be transferred to the file for ended causes.

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[9] The Commission was cited no authority, and can find none, for the proposition put forth in argument by the Virginia Committee that promotion of competition, as fostered by the Energy Policy Act of 1992, preempts the Commission or otherwise satisfies the requirement of public necessity. Patowmack declined to adopt the Committee's position.

[10] Patowmack also does not meet the requirements of § 56-234.3 necessary to obtain Commission approval of the facility.

[11] The evidence of record establishes that the site of the proposed construction is within the Northern Virginia serious ozone non-attainment area and that the facility, if constructed, will emit in excess of 600 tons of the pollutant NOx annually into the atmosphere. Should NOx reductions be required in the Northern Virginia non-attainment area, a subject of dispute during this proceeding, the presence of this increment of additional NOx will make compliance with environmental regulations more difficult and expensive in this area. Because of the timing of its application, Patowmack is not required by the Environmental Protection Agency to purchase NOx offsets. Thus, any additional compliance costs caused by Patowmack's NOx increment will be borne, in whole or in part, by others.

[12] *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 utility industry,* Case No. PUE950089 (Order Establishing Investigation, September 18, 1995, at 6).

CASE NO. PUE920011
OCTOBER 19, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend its Certificate of Public Convenience and Necessity authorizing operation of transmission lines and facilities in Loudoun County: Pleasant View Substation/Patowmack Power Partners, L.P. - Potomac Edison Power Co. 230 kV Transmission Line

ORDER DISMISSING APPLICATION

Pending before the Commission is this application of Virginia Electric and Power Company ("Virginia Power" or "Company") for authorization to construct and operate a double-circuit 230 kV line in Loudoun County. On September 15, 1995, John Bailey, Director, Engineering Services, Virginia Power, filed with the Clerk of the Commission a letter advising that the Company wishes to withdraw this application. Upon consideration of the request, the Commission will dismiss the application.

On June 11, 1992, the Commission issued its Order for Notice and Hearing in this proceeding. We noted the relation of this proposed transmission line, which would connect to Potomac Electric Power Company facilities, and the application of Patowmack Power Partners, L.P., Commission Case No. PUE910081, for authority to construct a generation facility adjacent to Virginia Power's Pleasant View Substation. As directed by the order, Virginia Power published notice of its application and served copies of the application on state and local officials. In response to the notice, the Commission received no requests for hearing or adverse comments.

In his letter filed September 15, 1995, Mr. Bailey noted the rejection by various jurisdictions of Patowmack Power Partners' original proposal to provide electricity to Potomac Electric Power Company utilizing the proposed transmission line. Based on these developments, the transmission line no longer appears necessary. The Commission notes that the various matters addressed in Mr. Bailey's letter are reflected in the record in Case No. PUE910081.

On October 17, 1995, the Commission issued its Order Denying Application in Case No. PUE910081. In light of the denial of Patowmack Power Partners' application and Virginia Power's request to withdraw the application, the Commission finds that this matter should be dismissed. Accordingly,

IT IS ORDERED THAT this application of Virginia Electric and Power Company be dismissed and that Case No. PUE920011 be removed from the docket and all papers be passed to the files of ended cases.

CASE NO. PUE920022
APRIL 27, 1995

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For approval to implement energy for tomorrow program, Rider "EFT"

ORDER EXTENDING EXPERIMENTAL RIDER "EFT"

On September 9, 1992, the Commission issued an order approving Delmarva Power & Light Company's ("Delmarva" or "the Company") rate experiment for water heater and/or air conditioner control service for a period of time ending April 15, 1995. This rate experiment, designated as Energy for Tomorrow Rider, or Rider "EFT", is a voluntary residential demand management program available to eligible Virginia residential customers who agree to allow Delmarva to cycle their electric central air conditioners/heat pumps and/or electric water heaters on and off during the summer months of June through September. Customers who allow cycling will receive a credit during each summer month from June through September.

In that same order, the Commission limited the use of Rider "EFT" to 2,000 participants and directed Delmarva to file semi-annual reports with the Commission's Document Control Center and Division of Energy Regulation. The reports were to provide, at a minimum, details concerning the level of customer participation and an interim analysis of the program.

By letter dated April 13, 1995, the Company requests a one-year extension of the program effective May 1, 1995. Delmarva notes that there are presently 956 "EFT" participants. The Company seeks an extension in order to achieve higher participation levels and in order to obtain better information for evaluating the program. Attached to its letter is Delmarva's revised tariff sheet (Third Revised Leaf No. 52).

NOW THE COMMISSION, having considered the matter, is of the opinion that Rider "EFT" should be extended for a period of one year commencing May 1, 1995 and ending April 30, 1996. The Commission is still of the opinion that Delmarva should limit the program to 2,000 participants and should file certain reports semi-annually. We will accept the revised tariff sheet that Delmarva has submitted.

We note Delmarva's failure to provide the Commission with thirty days' notice of its revised tariff schedule. We also note that Delmarva's April 13 letter makes no reference to Delmarva having given notice to the public. We will, however, pursuant to § 56-237, accept less than thirty days' notice in this instance and find, pursuant to § 56-237.1, that the public has had adequate notice of Rider "EFT." The change in the tariff schedule pertains to an extension of a previously approved program. Delmarva has filed proof of public notice of that program by its filing on July 31, 1992. We are of the opinion, however, that Delmarva should provide its Virginia customers with an opportunity to participate in the extended program. Accordingly,

IT IS ORDERED:

(1) That Delmarva's experimental tariff Rider "EFT" is hereby approved for the period commencing May 1, 1995 and ending April 30, 1996;

(2) That Delmarva shall limit the use of Rider "EFT" to 2,000 participants;

(3) That Delmarva shall file semi-annual reports on its experimental tariff Rider "EFT" with the Commission's Document Control Center and Division of Energy Regulation commencing December 1, 1995. Such reports shall include, but not be limited to, information as to participation data and interim analysis;

(4) That Delmarva's Third Revised Leaf No. 52 effective May 1, 1995, be, and hereby is, accepted;

(5) That, on or before June 1, 1995, the Company shall cause a copy of the following notice to be sent to each of its Virginia customers by first class mail, postage prepaid (bill inserts are acceptable):

NOTICE TO THE PUBLIC BY
DELMARVA POWER & LIGHT COMPANY
OF THE EXTENSION OF ENERGY FOR
TOMORROW PROGRAM, OR RIDER "EFT"

TAKE NOTICE that the Energy for Tomorrow Rider, or Rider "EFT", has been extended for a period of one year commencing May 1, 1995 and ending April 30, 1996. This program is available, on an experimental basis, to any Virginia Delmarva Power & Light Company ("Delmarva" or "the Company") residential customer who has central air conditioning and/or electric water heating. Customers who allow Delmarva to cycle their electric central air conditioners/heat pumps and/or electric water heaters on and off during the summer months from June through September will receive a credit on their bill during each of those months. Any interested person should contact the Company for further details.

(6) That, on or before July 3, 1995, the Company shall provide proof of notice as required by paragraph (5) herein;

(7) That, prior to application for permanent approval of the "EFT" program, the Company shall conduct an appropriate analysis to support continuation of the program. The results of the analysis should be part of any application for permanent approval; and

(8) That this case shall remain open until further order of the Commission.

CASE NO. PUE920039
FEBRUARY 10, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PO RIVER WATER & SEWER COMPANY

For a review of rate increase pursuant to Va. Code § 56-265.13:6

OPINION

Moore, Commissioner.

I. Procedural History

By letter dated April 17, 1992, Po River Water & Sewer Company ("Po" or "the Company") notified its customers and the Commission pursuant to the Small Water or Sewer Public Utility Act[1] of its intent to increase its rates, as of August 1, 1992, for water and sewerage service to its customers located in Indian Acres Subdivision, in Spotsylvania County, Virginia. The Company subsequently revised its request to increase its rates to produce an increase in gross annual revenues of $142,472.[2]

In our June 5, 1992 Order for Notice and Hearing, we established a procedural schedule and declared the Company's tariffs interim and subject to refund for service rendered on and after August 1, 1992, until such time as we determined this case. The matter was set for hearing before a Hearing Examiner.

On October 13, 1992, IACT,[3] by counsel, filed a motion to accept its notice of protest out of time and to establish a revised procedural schedule. The Examiner granted IACT's request to participate.

On August 5, 1993, the Hearing Examiner filed his Report. He recommended that the Commission authorize the Company an increase in gross annual revenues of $99,888 and direct the prompt refund of amounts previously collected under interim rates in excess of the rate increase he found reasonable. Po and IACT each filed exceptions in response to the Hearing Examiner's Report.

On January 10, 1994, we entered our Final Order in this proceeding. In that order, we accepted the Hearing Examiner's recommendations, except those dealing with the level of Po's acquisition adjustment, the disallowance of an engineering consultant's compensation for an automobile and allowance for a mobile home, capitalization of the costs associated with fracturing a well, and the appropriate customer base for Po.

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[1]Small Water or Sewer Public Utility Act, §§ 56-265.13:1 et seq.

[2]On January 20, 1993, the Company gave notice to its customers of its intent to revise its Rules and Regulations of Service to implement the following changes: (i) to change the definition of "customers"; (ii) to eliminate the requirement that Po's customers submit applications for water service; and (iii) to eliminate provisions providing for the discontinuation of service for nonpayment of bills. The notice sent to Po's customers advised that the changes would become effective March 8, 1993. Since fewer customers requested a hearing on the rule changes than required by Section 7 of our Rules Implementing Small Water or Sewer Public Utility Act, no additional proceedings in this docket were held on these rule changes, and they became effective on March 8, 1993. These rule changes are now the subject of a pending petition for declaratory judgment, Commonwealth of Virginia, ex rel. Rachel Crowe, et al., Petitioners v. The Po River Water & Sewer Company and Indian Acres Club of Thornburg, Inc., Defendants, Case No. PUE940014 in which both Indian Acres Club of Thornburg, Inc. ("IACT") and Po are named defendants.

[3]IACT is the property owners association. IACT owns common facilities located at Indian Acres, including, among other things, a clubhouse, swimming pools and a recreational center.

On January 26, 1994, IACT filed a Petition for Reconsideration of our January 10, 1994 Order. In its Petition, IACT requested reconsideration of the allowance of an acquisition adjustment for Po, the use of 4,207 dues paying IACT members as the proper number of customers for Po, the allowance of Po's affiliate expenses, the level of debt and interest expense allowed as part of the Company's cost of service,[4] and the requirement that Po install meters on mains serving IACT's facilities.

We granted reconsideration only on the related issues of Po's customer base and uncollectible accounts.[5] Adjusting the customer base by the percentage of uncollectibles yields the number of billing determinants (each of which is the equivalent of one paying customer) to be divided into the overall revenue requirement of the utility to determine the rate for each customer. The higher the number of determinants, the lower the charge per customer, and vice versa. The base customer number must be adjusted for uncollectibles. Because of the unique physical characteristics of this utility (see footnote 13, infra), it has a significant level of uncollectible accounts. As the uncollectible rate increases, the number of paying customers decreases, resulting in higher rates for each customer.

We remanded the proceeding to a Hearing Examiner and directed that he develop appropriate rates based on (1) the evidence to be produced on remand regarding the correct customer base and uncollectible account percentage, and (2) the total revenue requirement of $420,940 we found appropriate in our January 10, 1994 Final Order. We determined that the remaining issues did not warrant reconsideration.

At the hearing on remand, the Company advocated that the average number of paying customers who paid bills during the four billing quarters ending October 20, 1992 (3,318) be adopted as its correct customer base. Exhibit PP-31 at 4.[6] Ex. PP-39 at 9. As an alternative, the Company supported the use of 3,482 as the proper level of paying customers. Ex. BCD-40 at 4.

IACT asserted that the number of its current dues paying members for the 1991-1992 fiscal year (4,207) was the proper level of customers for Po. Ex. RJ-38 at 1-2. IACT maintained that the Company's proposed customer base of 3,318 did not consider late payments, which averaged $74,234 over three years. Id. at 5.

Staff calculated the Company's customer base using an average of seven 12-month periods. Its analysis compared the annual billed amount (based on 5,411 total billed customers) to the actual collections and amounts not collected for each period. Schedule 1 to Ex. AWA-35. On average, this analysis reflected a 22.35 percent uncollectible rate which, when applied to total billed customers of 5,411, produces an equivalent billing determinant base of 4,202 customers. Id.

After hearing, the Hearing Examiner filed a Supplement to his Final Report in which he determined that the Company's customer base was 3,507 and that the Company required an annual rate per customer of approximately $120. Po and IACT each filed exceptions in response to the Hearing Examiner's Report.

Thereafter, on October 11, 1994, we entered an order wherein we determined that a 26 percent uncollectible rate, applied to the 5,411 billed customer accounts on the Company's books, was proper to establish rates. Use of this uncollectible rate resulted in approximately 4,004 billing determinants and an annual rate of $105 per customer.

Po sought reconsideration of the October 11, 1994 Order, challenging the $105 annual rate and our consideration of evidence relating to Po's cash collections. Po also requested additional time in which to make refunds. We granted Po's request for additional time in which to make its refunds but denied reconsideration of the other issues.

II. Discussion of Issues

While many of the issues discussed herein have been addressed in previous orders, the long history of this case and the complexity of issues warrant a detailed review of the factors we considered and evaluated in reaching our final decision in this case. The primary issues raised during this proceeding were: the proper number of customers, as adjusted by an uncollectible factor, to be used to set rates; the allowable level, if any, of Po's affiliate expenses; whether Po is entitled to an acquisition adjustment; whether IACT's amenities should be metered; and treatment of well fracturing expenditures.

A. Customer Base and Uncollectible Allowance

In order to set rates, it is necessary to determine the appropriate level of Po's billing determinants, i.e., its customer base adjusted by a suitable uncollectible factor. As previously discussed, the higher the number of billing determinants, the lower the rate each customer will pay.

In this case, Po's initial testimony supported a customer base of 3,238. However, its audit of its records and its testimony on remand indicated that this figure had been miscalculated and its corrected paying customer count was 3,318. Ex. PP-31 at 3-4. It supported an uncollectible rate of 21 percent, based upon the 4,207 persons who paid IACT dues. Ex. PP-39 at 4, 9.

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[4]Pages 12 and 13 of IACT's Petition for Reconsideration appear to be based on a misunderstanding of the January 10, 1994 Final Order's findings. This Order found that Po's test year revenues, after all adjustments, were $310,848, and its test year expenses, after all adjustments, were $369,842, resulting in an adjusted operating loss of $58,994 for Po. The Company's adjusted operating loss is an above-the-line item and does not include the interest expenses, finance and late charges, loan costs or debt expenses challenged by IACT. The Company's adjusted operating loss, when divided by Po's rate base, produces the negative 12.66 percent return on rate base cited in Finding Paragraph (9) of the January 10, 1994 Final Order. The Company's test year net loss of $147,728 referred to in Finding Paragraph (8) represents a below-the-line item, not included in Po's cost of service and recovered through its rates.

[5]On January 28, 1994, two Indian Acres lot owners, Rachel Crowe and Charles Keller, sought reconsideration of the changes to the Rules and Regulations noticed by Po on January 20, 1993. As noted at footnote 2, at p. 1, supra, the concerns of Ms. Crowe and other Petitioners will be addressed in the pending declaratory action, Case No. PUE940014.

[6]All references to Exhibits are to "Ex.- at ___."

Alternatively, Po recommended that the Commission use 3,482 paying customers as the proper level of paying customers for the Company. Ex. BCD-40. This figure was derived by comparing the total amount billed ($578,977) for the quarters ending November 1, 1991, February 1, 1992, May 1, 1992, and August 1, 1992, with the $206,378 that remained uncollected as of December 31, 1993. Dividing the uncollected amount into the billed amount yields 35.64 percent of uncollected revenues. Po applied this percentage to the total billed customers shown on its books (5,411), which produced the equivalent of 3,482 paying customers. Ex. BCD-40 at 2-3.

IACT contends that its dues paying membership for the test period (4,207) is the appropriate number of customers to be used to establish the Company's rates. Ex. RJ-38 at 1-2. Yet it is apparent that not all of IACT's dues paying members have also paid Po for utility service. Ex. PCP-2 at 2-3; Ex. PCP-3 at 2-4; Ex. PP-39 at 2. Consequently, the 4,207 membership base urged by IACT is not in our view a reliable surrogate for the establishment of billing determinants.

As we noted in our October 11, 1994 Order, the Company's billing system does not accurately match payments by customers with the current billing period. Exhibit 1.1 to Ex. PP-31, for example, indicates 207 customers for which neither the Company nor its billing system could account. May 19, 1994 Tr. at 325-26.[7] While the Company starts from the assumption that 4,207 is an appropriate potential customer base, its exhibits indicate that Po rendered more than 5,000 bills and is carrying 5,411 active accounts receivable on its books. Exhibits 1.1 and 2 to Ex. PP-31. Ex. PP-32. May 19, 1994 Tr. at 316.

In response to IACT's concerns, we have considered Po's actual cash collections in our analysis of Po's customer base and uncollectible factor. The exhibits indicate that Po has consistently collected more than $400,000 in annual revenues. These collections appear to be attributable to receipts of payments in advance, payments of arrearages, and late payments. May 19, 1994 Tr. at 337. Exhibits 1.1 and 2 to Ex. PP-31. Generally accepted accounting principles ("GAAP") recognize that analysis of a company's cash collection history is a proper method to establish an uncollectible factor for utilities like Po. May 19, 1994 Tr. at 346-47. However, by analyzing the level of Po's actual collections, we are not encouraging the Company to maintain its books on a cash basis.[8] Analysis of Po's cash collections represents a ratemaking tool which we have used to assess Po's success in collecting payment for its utility service.

The issue thus becomes the appropriate level of Po's uncollectible factor. In this case, we believe the Company is entitled to more than the usual 1 percent allowed for delinquent accounts for water or sewer utilities.[9] The Company has demonstrated that it has made an effort to collect its delinquent accounts. Ex. PCP-1 at 7-9. Indeed, the Company notes that it has filed 281 warrants in order to collect for utility service from non-paying customers. Ex. PCP-2 at 4. See also Ex. PCP-3 at 2-4.

The evidence in this case supports an uncollectible rate of approximately 26 percent. The Staff's study of the seven twelve-month periods, which indicated an average uncollectible percentage of approximately 22 percent, demonstrates that the Company's level of uncollectible accounts has trended upward from 22 percent. See Schedule 1 to Ex. AWA-35. The 35 percent uncollectible rate advocated in Company witness Dooley's testimony, on the other hand, does not consider that the Company usually recovers in later periods uncollected amounts related to current periods or that collections include both prepayments and arrearages. Consequently we find 26 percent to be a reasonable uncollectible rate for Po.

Application of the 26 percent uncollectible rate to Po's 5,411 booked accounts receivable yields 4,004 billing determinants. Dividing the revenue requirement of $420,940 by the billing determinants (4,004) yields an annual rate of $105 per customer.

B. Affiliate Expenses

Based on the record, we have allowed the Company to recover a test year level of affiliate expenses of $114,039. IACT challenges the reasonableness of Po's affiliate expenses and seeks their disallowance, maintaining that Po has not supported these affiliate expenses under the legal standards set out in Va. Code §§ 56-78 and 56-265.13:4.

Virginia Code § 56-265.13:4 defines just and reasonable charges for small water or sewer public utilities in the following manner:

> . . . . Reasonable and just charges for service within the meaning of this section shall be the lowest charges as shall produce sufficient revenues to pay all lawful and necessary expenses[.]

We believe the record supports the allowance of a test year level of expenses for services provided to Po by its current owner, Carlyle Group, Inc. ("Carlyle"), under the standard set forth in § 56-265.13:4. The Supreme Court has observed that while we may not "assume the duties or usurp the powers of utility management," we may "disallow any part of expenses actually incurred where the evidence shows such expenses are exorbitant, unnecessary, wasteful, or extravagant." Lake of the Woods Util. Co. v. State Corp. Comm'n, 223 Va. 100, 110 (1982). We do not find the affiliate

[7]All references to the Transcript are to "Tr. at ___."

[8]Section 1 of our Rules Implementing the Small Water or Sewer Public Utility Act ("Rules") requires companies subject to the Small Water or Sewer Public Utility Act to maintain their books and records in accordance with the Uniform System of Accounts for Class C Companies on an accrual basis. However, these rules permit ratemaking adjustments to a utility's booked amounts which may or may not strictly adhere to accrual accounting principles. An example of an instance in which accrual accounting and ratemaking may differ is the elimination or amortization of expenses of a nonrecurring nature.

[9]As noted in Lake of the Woods Utility Co. v. State Corp. Comm'n, 223 Va. 100 at 111 (1982), a utility may prove that it is entitled to a level of bad debt expenses greater than that experienced by most utilities. In this instance that burden of proof has been met.

expenses herein to be "exorbitant, unnecessary, wasteful, or extravagant." Hence, disallowance of these expenses is inappropriate, based upon the evidence summarized below.[10]

This case represents the first increase since Po was acquired by the Carlyle in December, 1990. Carlyle is a real estate investment and management company headquartered in Los Angeles, California. Ex. PCP-1 at 2-3. Feb. 25, 1993 Tr. at 118-19. Its allocation of costs to Po for managing and operating the Company include (i) salaries of Carlyle personnel for management and administration services, as well as other services, and (ii) overhead costs. Ex. PCP-1 at 12-20. The evidence demonstrates that if Po were to be staffed and operated as a local "stand-alone" company, based on Virginia cost data, the Company's costs for the services provided by Carlyle would be slightly over $168,000, or approximately $47,000 more than was allocated to Po during the test year. Ex. PCP-3 at 10-11.

The record also demonstrates that the charges by Carlyle to Po were less than the costs incurred by two local Virginia water and sewer companies for similar services. Ex. BCD-24 at 3-6. While not dispositive of the issue, this evidence provides some guidance regarding the costs for such services in Virginia.

The Company also presented the results of a study by an outside consultant that compared the costs that unaffiliated service providers might charge to render the services provided to Po by Carlyle. Ex. PLB-19. That study shows that Po could incur additional costs of $67,410 annually if all the services provided by Carlyle were obtained from outside providers. Ex. PLB-19 at 14.

The study considered charges for non-affiliated service providers located in Virginia. The hourly rates for certified public accountants and professional/clerical personnel were obtained from a study conducted by the Virginia Society of Certified Public Accountants. The hourly rates for professional engineers were developed from a survey of Virginia engineering firms. Ex. PLB-19 at 7, 10. Management consultants do not typically limit their practice to any one geographical region, so the study evaluated management and engineering consultants on a broader geographical basis. Ex. PLB-19 at 7. Feb. 25, 1993 Tr. at 164.

Po presented testimony explaining the services provided to it by Carlyle's officers and staff members and showing how these services benefit Po and its customers. Ex. PCP-1 at 12-20. Po's study also demonstrated that the amount of time spent by Carlyle personnel in providing services to Po was reasonable. The total time allocated to Po equates to one-and-three-quarters full-time employee positions. Feb. 25, 1993 Tr. at 159. Ex. PLB-19 at 1.

While Po offered a great deal of evidence supporting its affiliate expenses, IACT offered little affirmative countervailing evidence to show that Po's expenditures in this regard were unnecessary, wasteful, or extravagant. IACT suggested that there might be cheaper management consultants and engineers near Thornburg, but offered no affirmative evidence to show that this was the case. IACT Post-Hearing Brief at 24.

The test year level of affiliate expenses charged to Po by Carlyle, including the automobile and housing allowance for the engineering consultant, are supported by the record. The record shows that Po was allocated 80 percent of the consultant's time and charged a total of $24,000 for his services. This consultant worked a minimum of 25 hours a week year-round supervising the Company's maintenance operation and correcting problems with the water and sewer systems. Ex. PCP-1 at 20; Ex. ELS-20; Feb. 25, 1993 Tr. at 181-82. During cross-examination, the Staff agreed that the full amount of the $24,000 expense allocated for the consultant was reasonable had it been paid as salary. Feb. 25, 1993 Tr. at 266. Further, the evidence shows that if Po had to obtain the same services from a non-affiliated engineering firm, it would have paid more than the $24,000 it was allocated. Feb. 25, 1993 Tr. at 147.

In sum, the Company is entitled to the recovery of a test year level of expenses charged to it by Carlyle.

C. Acquisition Adjustment

Po is entitled to an acquisition adjustment reflecting the $500,000 purchase price Carlyle paid for acquisition of the Company, based on the facts developed herein. Here, the record establishes that the criteria for an acquisition adjustment, as articulated in Application of Potomac Electric Power Co. and Virginia Electric and Power Co., 1986 S.C.C. Ann. Rept. 290, have been met. The purchase price was determined through "arm's length" bargaining and the investment was made prudently for the benefit of the customers and the utility.

All parties concede the purchase was an "arm's length" transaction. Carlyle learned of Po's availability from the Wall Street Journal. Ex. PCP-1 at 3, 21. Furthermore, Carlyle is not associated or affiliated with the previous owners of the Company.

Based upon the record, we find that Carlyle's investment was made prudently for the benefit of the Company and its customers. The purchase was made after Carlyle conducted an examination of the Company's books, records, and annual reports filed with the Commission. The Company's prior rate case was considered. Carlyle conducted on-site inspections of the Company's facilities and communicated with the appropriate regulatory agencies, including this Commission, to ensure that Po was in compliance with federal and state requirements. Ex. PCP-1 at 4-5; Feb. 25, 1993 Tr. at 59-60, 76-77, 90-91, and 149. Carlyle concluded that the Company's net cash flow should be sufficient to cover a reasonable level of operating expenses, plus the debt of the Company, and provide a reasonable return on its investment. Ex. PCP-1 at 4-5, 21; Ex. PCP-5; Feb. 25, 1993 Tr. at 53-57.

Carlyle and its management have over 20 years of experience in operating water and sewer systems. Ex. PCP-2 at 11. Po has realized benefits from that experience. For example, Carlyle's engineering consultant modified part of the sewer system at considerable savings to the Company. Feb. 25, 1993 Tr. at 177. Carlyle's technical expertise has enabled the Company to analyze its systems, cure long-standing violations of health department regulations, determine the source of other problems and correct them, and plan for future improvements that will assure uninterrupted service. Ex. ELS-20

[10]We have held that the standards for reasonableness articulated in Va. Code §§ 56-76 et seq. are applicable to a review of expenses charged to a small water or sewer utility for services provided by an "affiliated" or related service provider. See Commonwealth of Virginia, ex rel. Bruce M. Berry, et al. v. Virginia Suburban Water Company, Case No. PUE920015, 1993 S.C.C. Ann. Rept. 252 at 254. Such expenses must be carefully scrutinized, employing the legal standard set forth in Va. Code § 56-78. We find that the Company has satisfied this standard, presenting evidence that identified the comparable costs for similar services provided by non-affiliated service providers, identifying the charges made to it by Carlyle for the services rendered, and presenting affirmative evidence regarding the benefits of such services to Po and its ratepayers.

at 3-9, 11-12; Appendices C and D. Carlyle's managerial and financial strength has allowed the Company to deal with secured lenders and other creditors and to continue to operate. Feb. 25, 1993 Tr. at 143-44.

The utility and its ratepayers also benefit because, unlike Po's previous owners, Carlyle appears committed to owning and operating the utility rather than focusing on selling lots at Indian Acres. Ex. PCP-2 at 9-10. Po and its ratepayers benefit from Carlyle's sole attention to public utility service. Furthermore, Carlyle brings to Po financial stability that its predecessors lacked. Id. This financial strength will allow Po to provide a better quality of service in the future than would have been realized if ownership had not changed. Feb. 25, 1993 Tr. at 245-46. Carlyle has in fact provided the utility with funds needed to meet its bills as they have come due. Feb. 25, 1993 Tr. at 143-44. In sum, the utility and its ratepayers have benefited from this acquisition.

Public utility regulatory principles recognize that if the foregoing standards for an acquisition adjustment are met, the excess over the original cost (less depreciation) of rate base may be considered dedicated to the public service and may be included in cost of service. The purchaser, however, is not entitled to claim more than the amount of capital he has devoted to public service. In the instant case, Carlyle may not earn a return on more than its purchase price, plus its subsequent additions to rate base, adjusted for retirements and contributions, which is $500,000.[11]

Although acquisition adjustments typically reflect the purchase of utility plant, we have allowed acquisition adjustments for water companies when utility stock has been purchased. See Application of Virginia Suburban Water Company, To revise its tariffs, Case No. PUE890082, 1991 S.C.C. Ann. Rept. 267. When the criteria for an acquisition adjustment are present, the fact that the acquisition has taken the form of a stock purchase, as opposed to the purchase of assets, does not prevent us from making the factual determination that an acquisition adjustment to rate base is warranted. In calculating Po's acquisition adjustment, the value of the utility's plant (less accumulated depreciation and contributions in aid of construction) was subtracted from the purchase price, resulting in an acquisition adjustment of $61,346.[12] Carlyle may recover up to but not in excess of its expenditure of resources, i.e., $500,000.

We further find allowance of an acquisition adjustment in this case to be consistent with subsection 5 of Va. Code § 56-265.13:4, which recognizes that "just and reasonable" rates for small water or sewer utilities may include compensation to utility owners for either their capital or property invested in a utility's system as well as "other resources expended in the operation of the system not otherwise recovered under subdivisions 1 through 4 of this section."

Finally, we have chosen to amortize the acquisition adjustment over ten years. In our judgment, ten years is an appropriate period over which to amortize such an adjustment. Use of a ten-year period does not unduly burden the ratepayers and also allows timely elimination of the adjustment.

D. Development of a Rate for IACT

The unique nature of Po's certificated service area and the fact that there is no unity of interest between IACT and Po are the source of many of the issues in this case. IACT controls access to the campground and its amenities, but does not presently serve as a billing and collection agent for Po. This fact makes it difficult for Po to bill and enforce collection for the utility services it provides.[13]

Po proposed in this case to consider IACT as its only customer. The Company noted that it supplied water to all of IACT's amenities -- pools, golf course, clubhouse, restaurant, car wash, comfort stations -- and asserted that it is a fiction to consider that the Company's customer is anything other than the entire campground, which IACT manages and controls. Ex. PCP-2 at 20-21. The Company argues that if it were to bill only IACT it could avoid duplicate billing and collection costs. Ex. PCP-2 at 21.

No public notice was given of a proposed rate change in Po's rate structure to treat IACT as a customer, as required by the Small Water or Sewer Public Utility Act. No data was introduced to support a rate for IACT in this case.

IACT, however, receives dues from its members that entitle them to use its amenities. These amenities receive utility service from Po. If a rate can be developed for such service, the usage rate to Po's lot owners may be adjusted to reflect more accurately the costs to provide service at the campstead lots. Our June 10, 1994 Final Order does not specify a rate for such service but directs Po in Finding (15) to install meters and develop such a rate. Needless to say, the Company's cost of service for the adjusted test year ended June 30, 1992, does not reflect costs associated with the installation of such meters because the Company has not made such expenditures. These investments are not known and certain, and the Company may not recover these investments in advance of making them. If IACT believes the rate structure which may be developed and proposed in Po's next rate proceeding to be unjust and unreasonable, it may intervene and pursue the issue in that case.

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[11]The debt on the Company's books at the time of purchase or assumed by the Company after the purchase date should not be included in the purchase price calculation. There is insufficient evidence that the purchase price was reduced because of Carlyle's assumption of Po's capitalization or that the debt was properly included on the utility's books. See, for example, Feb. 25, 1993 Tr. at 63-75.

[12]In Application of Virginia Suburban Water Company, Case No. PUE890082, the Commission allowed an acquisition adjustment for the purchase of 100 percent of the utility's stock. In that case no records were available to establish the value of the utility's rate base less depreciation, which is needed to calculate an acquisition adjustment under the methodology used herein for Po. Accordingly, the Commission calculated the acquisition adjustment using the "equity method." Under the "equity method," a utility's equity position at the time of purchase is subtracted from the purchase price. This calculation resulted in a sum greater than the purchase price because the Company was in a negative equity position. As stated at p. 15, supra, a purchaser is not entitled to an acquisition adjustment greater than the amount of capital he has devoted to public service. Accordingly, the adjustment was capped at purchase price to assure that the purchaser did not recover more than his investment. Company records were available in Po's case. Therefore, use of the methodology employed in the Virginia Suburban case is not appropriate to calculate Po's acquisition adjustment.

[13]Po does not separately meter any of the lots or common facilities. The utility's total cost of service, including service to the amenities, is included in the rates paid by the individual lot owners. Feb. 25, 1993 Tr. at 139-40. A single pipe ("riser") brings water to adjoining lots. If the connection to the riser is cut, water service to each adjoining lot is terminated. Ex. PCP-1 at 8. Thus, Po cannot realistically terminate service to a customer for non-payment of bills. Lot owners can obtain water at any neighboring lot or at the comfort stations and can continue to enjoy use of the amenities that use water such as the swimming pools and car wash. See Ex. PCP-2 at 18, 20-21.

E. Well Fracturing Expense

In his August 5, 1993 Hearing Examiner's Report, the Examiner adopted the Staff position that $9,545 of expenses associated with well fracturing and drilling costs booked during the test year should be capitalized. However, the record demonstrates that the fracturing and drilling procedures undertaken by Po only minimally increased the well's output and did not extend its useful life. Since these efforts did not extend the useful life of the well, these expenditures should be expensed and amortized over a three-year period, as recommended by the Company. Ex. PCP-3 at 13-14.

III. Conclusion

Based upon the record developed herein, we find that the Company is entitled to an increase in its rates, albeit not as large an increase as it initially sought. We further find the record supports use of 4,004 as the number of billing determinants. The test year level of expenses, i.e., $114,039, charged to Po by Carlyle, Po's owner, is supported by this record. Finally, we find Po to be entitled to an acquisition adjustment in the amount of $61,346.

CASE NO. PUE920072
MAY 26, 1995

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of Experimental Demand Side Management Programs and Residential Rate Design Experiment

ORDER

On March 4, 1993, the Commission issued its Order Authorizing Experimental Programs approving Appalachian Power Company's ("Appalachian" or "Company") five demand side management ("DSM") programs, including the Commercial and Industrial Lighting Program ("C&I Lighting Program"). The Commission authorized the programs for 12 months.

On May 11, 1994, the Commission issued an order granting Appalachian's Motion to Extend and Modify Experimental Programs. Appalachian was authorized to expand the C&I Lighting Program from its Lynchburg and Pulaski divisions to its entire service territory, to eliminate the minimum square footage requirement for commercial participants, and to offer the program to an additional 50 participants. The Commission granted an extension of this program until March 4, 1995.

On March 2, 1995, Appalachian filed a Motion to Extend and Modify Experimental and Commercial and Industrial Lighting Program ("Motion"). In this Motion, Appalachian proposes two changes to its C&I Lighting Program. First, Appalachian asks to increase the maximum incentive per customer from $2,000 to $5,000 for commercial customers and from $7,500 to $30,000 for industrial customers. Second, Appalachian asks to extend the program for an additional nine months from the date of the Commission's approval.

In support of its Motion, Appalachian states that the current maximum incentive levels are not adequate to attract large customers to the program. Only 40 commercial and 13 industrial customers have shown an interest in the program. Only ten commercial customers and one industrial customer have actually participated in the program.

Appalachian notes that to date, the average square footage for retrofitted facilities is only 2,620 $ft.^2$ for commercial participants and 18,700 $ft.^2$ for industrial participants. Company data indicates that a commercial customer receives no financial incentive to retrofit any space in excess of 5,500 $ft.^2$, and an industrial customer receives no incentive to retrofit a space larger than 21,500 $ft.^2$. The Company's market research data shows the average size of a commercial office building is about 12,000 $ft.^2$, and many industrial customers have facilities with lighted areas in excess of 100,000 $ft.^2$.

While Appalachian requests an increase in financial incentive levels it can offer, it does not request an increase in the overall budget. Appalachian requests a nine-month extension of the program to accommodate lengthy backorders for materials necessary for retrofits.

On May 16, 1995, the Southern Environmental Law Center ("SELC") filed a response to Appalachian's Motion. SELC supports the proposed modifications and extension, stating that "[t]he revised incentive levels will correct a flaw in the design of this program and increase the value of the information it can provide." In addition, SELC's response urges the Commission to require Appalachian to develop full-scale cost effective efficiency programs as expeditiously as possible. SELC asserts that additional programs for commercial and industrial customers should be developed.

NOW THE COMMISSION, upon consideration of the Motion and the response of SELC, finds that the requested modification and extension of the Commercial and Industrial Lighting Program is in the public interest and should be approved. The Commission further finds that the Company should file, on or before June 1 , 1996, a report on its experience with this program as extended and modified. The Commission is not convinced, however, that Appalachian Power Company should be directed at this time to implement full-scale efficiency programs, as requested by SELC.

Accordingly, IT IS ORDERED:

(1) That Appalachian's Motion to Extend and Modify Experimental Commercial and Industrial Lighting Program is granted;

(2) That Appalachian shall file, on or before June 1, 1996, a report on its experience with the C&I Lighting Program as expanded and modified herein; and

(3) That this matter shall be continued until further order of the Commission.

CASE NO. PUE930008
MAY 12, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For an Annual Informational Filing

DISMISSAL ORDER

On April 19, 1994, Virginia Electric and Power Company ("Virginia Power" or "the Company") delivered its Annual Informational Filing ("AIF") for the calendar years 1992 and 1993 to the State Corporation Commission ("Commission"). The Company completed its filing on May 23, 1994. The Commission Staff filed a Report dated March 1, 1995, containing its findings and recommendations. Among its recommendations, Staff requested that the Commission "require the Company to file supplemental schedules reflecting additional adjustments that would be made in a general rate proceeding" as a part of the Company's 1994 AIF, due to be filed on or before March 31, 1995. In addition, the Staff requested the Commission to instruct the Company to credit its base rate capacity deferral account for the total cost related to the buy-out of capacity contracts.

On March 16, 1995, Virginia Power filed its Response to the Staff Report wherein it agreed to furnish the additional information requested by Staff as supplemental schedules and requested an extension of time in which to file its 1994 AIF. The Company further requested that it be permitted to file Supplemental Schedule 12 with all the adjustments that would be made in a general rate proceeding.

On March 27, 1995, the Commission entered an order directing Virginia Power to file its 1994 AIF, including a modified supplemental Schedule 12 and supplemental Schedules 14 and 17, on or before April 28, 1995, and continued the matter.

NOW, upon consideration of the foregoing, we are of the opinion and find that Virginia Power has delivered its 1994 AIF to the Clerk of the Commission, and that based upon the Staff's March 1, 1995 Report, the Company should credit its base rate capacity deferral account for the total amount related to the buy-out of capacity contracts.

Accordingly, IT IS ORDERED:

(1) That the Company shall credit the base rate capacity deferral account for the total cost related to the buy-out of capacity contracts; and

(2) That there being nothing further to be done in this matter, it is dismissed from the Commission's docket of active proceedings.

CASE NO. PUE930009
AUGUST 9, 1995

APPLICATION OF
HIGH KNOB ASSOCIATES

For a certificate of public convenience and necessity

FINAL ORDER

On February 9, 1993, High Knob Associates ("High Knob" or the "Partnership") filed an application with the State Corporation Commission requesting a certificate of public convenience and necessity authorizing it to provide water service to customers located in the High Knob subdivision of Warren County, Virginia. That application did not include High Knob's proposed tariff.

On March 8, 1994, the Commission issued an Order Docketing the Proceeding and Directing the Submission of Proposed Rates, Rules, and Regulations. The Partnership filed a proposed tariff on April 18, 1994, which was subsequently revised in a filing submitted on May 17, 1994. In its revised tariff, the Partnership requested approval of $67,418 in revenues based on a test year ending June 30, 1994, as well as approval of various fees and charges.

By Order dated July 11, 1994, the Commission directed High Knob to give notice of its application and provided its customers with an opportunity to file comments and requests for hearing on or before September 15, 1994.

By that date, the Commission had received numerous requests for hearing. In a report filed on September 30, 1994, Staff recommended that such a hearing be scheduled. In an order entered on October 6, 1994, the matter was set for local hearing in Warren County on January 31, 1995, and for evidentiary hearing in Richmond on February 14, 1995.

A number of customers appeared and made statements at both local and evidentiary hearings. Customers complained about the quality of their water service with specific reference to water outages, inadequate water pressure, dirty, and odorous water. One customer noted the difficulty in reporting emergency situations such as water outages.

Customers also complained about poor repair work and poor management practices. They noted improper line repair and repeated repair of the same lines as well as open ditches at the repair site. They also noted management's failure to keep books and records and to maintain a quality assurance program. A lack of a competitive bidding program for system repair work was also mentioned.

Customers took issue with certain costs claimed by the Company in regard to connection and management fees. Customers also noted that Staff's recommended rate design makes no provision for excessive water usage in a system that has limited capacity.

Examiner Howard P. Anderson, Jr., presided at the hearings. Counsel appearing at the February 14, 1994 hearing were Kenworth E. Lion for the Partnership and Marta B. Curtis for the Commission Staff. Protestants Jocelyn F. Douglas, Joseph S. Mitchell, and Tina C. Hobson appeared pro se.

At issue in this proceeding were the Partnership's rate case expense and management fees as well as the Partnership's legal costs. There was a rate design issue relative to the appropriate minimum charge and usage rate and an issue regarding the quality of the Partnership's water service.

The Partnership and the Protestants objected to Staff's rate design which proposed a minimum quarterly rate of $87.00 and an additional usage charge of $0.00125 per gallon for all of the customers' water usage. The Partnership proposed an excess usage charge that would be triggered when a customer's usage exceeds 250 gallons per day. The Partnership objected to quarterly rather than semi-annually billing. Protestant Hobson also favored an excess water usage charge to encourage conservation.

The Protestants noted quality of service and management problems referenced by the Intervenors. They also proposed certain changes in High Knob's rules and regulations of service.

On May 26, 1995, the Examiner filed his report, in which he found that:

1. High Knob should be granted a certificate of public convenience and necessity authorizing it to provide water service in the High Knob subdivision located in Warren County, Virginia;

2. The use of a test year ending June 30, 1994, was proper for this proceeding;

3. High Knob's test year operating revenues, after all adjustments, were $58,228;

4. High Knob's test year operating expenses, after all adjustments, were $44,102;

5. High Knob's test year net income, after all adjustments, was $11,432;

6. High Knob's rate base, after all adjustments, is ($29,075);

7. High Knob requires gross annual revenues of $58,228;

8. Staff's accounting adjustments, except as modified in the Report, should be adopted;

9. High Knob's rates should be based on a minimum quarterly rate of $87 with a meter based usage charge of $0.00125 per gallon for all water used;

10. Any difference in the revenue requirement approved by the Commission should be applied to the usage rate recommended above;

11. High Knob should be allowed to estimate bills if there are occasions when the meter reader is unable to read the meter;

12. A $500 service connection fee should be approved;

13. In the event High Knob collects connection fees in excess of actual costs, such excess fees should be escrowed for future capital improvements and booked to a deferred credit account;

14. A customer deposit calculated to approximate two months' usage should be approved;

15. A $42 meter test charge should be approved;

16. A $42 turn-on charge should be approved;

17. A $13 bad check charge should be approved;

18. A $569 management fee consisting of $50 allocated for rent and utilities, $75 allocated for computer with printer, $50 allocated for a copier, $319 for Mr. Nicholls' time, and $75 allocated for vehicle mileage is appropriate and should be approved;

19. High Knob should set up and maintain its books in accordance with the Uniform System of Accounts for Class C water companies;

20. High Knob should depreciate plant and amortize contributions in aid of construction at a three percent composite rate;

21. High Knob should maintain sufficient property records and documentation to support all future plant additions;

22. Staff should pursue its informal investigation into customer complaints and report its findings to the Commission;

23. High Knob's proposed rules and regulations, as modified in the Report, are just and reasonable and should be approved by the Commission; and

24. High Knob should refile its tariff, incorporating the amendments to the rules and regulations recommended in the Report.

The Examiner recommended that the Commission enter an order that adopts the findings in his Report and grants High Knob a certificate of public convenience and necessity; that grants High Knob gross annual revenues of $58,228.

On June 12, 1995, counsel for High Knob filed a letter stating that the Partnership took no exception to the Report of the Hearing Examiner. On that same day Protestants Douglas, Mitchell, and Hobson filed comments on that Report. In their comments, the Protestants requested the Commission to take certain actions, detailed below, regarding High Knob.

NOW THE COMMISSION, having considered the record, is of the opinion that the findings and recommendations of the Hearing Examiner should be adopted subject to the single modification detailed below.

We agree with the Report's statement that it is important to provide price signals to customers that allow them to make accurate usage decisions based on the costs they impose on the system. Customers whose excessive use of water imposes additional costs on the system should pay accordingly. The switch from flat to metered rates will enable appropriate price signals to be sent. We appreciate the concerns of the Staff, as reflected in the Examiner's recommended rate design, that the switch from flat rate billing to metered service not be unduly disruptive. However, we believe the rate design approved by the Examiner does not go far enough in sending meaningful price signals, because over 94% of the revenues are recovered from the minimum quarterly charge. While this certainly minimizes the impact of the transition from flat to metered billing, it does not send strong enough price signals to customers to affect modification of usage.

Under the rate design recommended by the Examiner, increased usage scarcely affects the customer's bill. For example, doubling the amount of water consumed per quarter would add just $5.02 to an average bill of $92.01. Therefore, we will modify the Examiner's recommended rate design to allow the recovery of an increased proportion of the Partnership's revenues through the usage-based portion of the rates. We will approve a minimum monthly charge of $27, rather than the $29 figure recommended by the Examiner, with the balance of the revenues to be collected in usage charges of $0.00271 per gallon consumed. We are further of the opinion that High Knob should, within two years from the entry of this Order, file a revised tariff increasing the proportion of its revenues recovered through the usage-based part of its rates or else state in that filing why such an increase cannot or should not be implemented.

As noted, Protestants Douglas, Hobson, and Mitchell, in their comments to the Examiner's Report, made three "requests" of the Commission. First, they requested that the "Commission review the Partnership books and records to verify that the Hearing Examiners Recommendations" have been accomplished. Companies operating under the Small Water or Sewer Public Utility Act (Code of Virginia § 56-265.13:1, et seq.) do not make Annual Information Filings to the Commission. We find that, in this instance, because the Partnership's certificate is newly issued and its operating experience is limited, the Staff should undertake an audit of the Partnership after a year of operation under the rates approved herein, unless High Knob files an application for a rate adjustment sooner.

Protestants' second request is a "specific outline of the procedures being used to accomplish the Hearing Examiner's recommendation 22. [Protestants] wish to share, with other homeowners, information as to which complaints are, and which are not, under the Commission's power to correct and how corrective measures may be enforced." Rules 5:4 through 5:8 of the Commission's Rules of Practice and Procedure ("Rules") provide the procedural outline for resolving informal complaints. Under those Rules, the substance of an informal complaint may be handled in various ways depending on the nature of the complaint; there can be no "specific outline" on the substance of a complaint because the Commission and its Staff must maintain the flexibility to resolve complaints in the most appropriate manner. Under the Rules, failure to resolve a matter informally may result in the issuance of formal proceedings subject to the requirements of the Rules.

Finally, Protestants request "that the SCC require the Partnership to include in the one year review the use of an availability fee[.]" The issue of an availability fee arose late in the proceeding and the record therefore does not contain evidence that would support a finding that an availability fee is necessary or that it would effectively produce revenues in this instance. No need for an availability charge has been proved on this record.

Accordingly, IT IS ORDERED:

(1) That the Hearing Examiner's findings and recommendations, set forth in his May 26, 1995 Report, as modified herein, are hereby adopted;

(2) That High Knob is hereby granted Certificate No. W-279 to provide water service to High Knob subdivision in Warren County, Virginia;

(3) That High Knob requires gross annual revenues of $58,288;

(4) That High Knob's rates are hereby approved, as detailed on Attachment A;

(5) That High Knob file a revised tariff to reflect the rates, rules, and regulations approved herein;

(6) That this matter is continued subject to further order of the Commission.

NOTE: A copy of Attachment A entitled "High Knob Associates Rate of Return Statement Test Period Ended June 30, 1994" 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. PUE930009
AUGUST 30, 1995

APPLICATION OF
HIGH KNOB ASSOCIATES

For a certificate of public convenience and necessity

ORDER GRANTING PETITION FOR RECONSIDERATION

On August 9, 1995, the Commission entered a Final Order wherein it granted High Knob Associates ("High Knob" or "the Company") a certificate of public convenience and necessity; approved certain revisions in High Knob's proposed rates, rules, and regulations of service; directed the Company to file a revised tariff; and continued the matter subject to further order of the Commission.

On August 28, 1995, counsel for High Knob filed a petition requesting that the Commission reconsider that Order in regard to certain approved tariff revisions. Specifically, the Company requested that it be allowed to revise Rule 2(b) of its approved tariff to include commercial establishments or multiple dwellings in the definition of "premises." The Company also requested that it be allowed to implement one four-month billing period in order to facilitate the transition from its current semi-annual billing schedule to the quarterly billing schedule and rate structure approved in the above-referenced order. The four-month billing period would commence on or about September 1, 1995, and would end at the end of the 1995 calendar year.

NOW THE COMMISSION, having considered the matter, is of the opinion that High Knob's requests are reasonable and should be granted. We will, however, require the Company to notify its customers regarding the change in its billing schedule during the above-referenced transition period. Accordingly,

IT IS ORDERED THAT:

(1) High Knob's Petition for Reconsideration be, and hereby is, granted.

(2) Rule 2(b) in High Knob's rates, rules, and regulations of service shall be revised as follows:

"Premises" as used herein shall mean the lot or parcel of land upon which is situated a single-family dwelling or community facility. Where permitted by the Developer, restrictive covenants and zoning regulations, "premises" shall also include a single commercial establishment and the individual units within a multiple dwelling.

(3) The Company be, and hereby is, permitted to render an initial bill for a four-month period, commencing September 1995 and ending with the end of the 1995 calendar year, in order to facilitate the orderly transfer from semi-annual to quarterly billing. All subsequent bills shall be based on the three-month period approved in our August 9, 1995 order.

(4) The Company shall notify its customers (through bill inserts) of the billing authorized herein.

(5) This matter be, and hereby is, continued subject to further order of the Commission.

CASE NO. PUE930009
SEPTEMBER 19, 1995

APPLICATION OF
HIGH KNOB ASSOCIATES

For a certificate of public convenience and necessity

ORDER GRANTING RECONSIDERATION AND DIRECTING RESPONSE

On September 6, 1995, Hearing Examiner Howard P. Anderson, Jr., received a letter from Ms. Hilda C. Mitchell, an intervener in the proceedings conducted by the Examiner in this matter. Ms. Mitchell's letter, attached hereto, attempts to respond to certain portions of the Petition for Reconsideration filed by High Knob Associates ("High Knob") on August 28, 1995. In that pleading, High Knob requested, inter alia, a change in the definition of the term "premises" in its tariffs to include commercial and multi-family dwellings.

Rule 8:9 of the Commission's Rules of Practice and Procedure do not permit responses to Petitions for Rehearing or Reconsideration.[1] The Commission entered an Order dated August 30, 1995, granting High Knob's petition and approving the requested amendment to its tariffs. Ms. Mitchell's letter makes assertions regarding the change in the referenced definition which the Commission is of the opinion require a response by High Knob.

Therefore, the Commission will treat Ms. Mitchell's letter received September 6, 1995, as a Petition for Reconsideration and will grant the petition for the purpose of considering further whether the definition of "premises" in High Knob's tariffs ought to be amended. Having granted Ms. Mitchell's petition, the Commission is further of the opinion that High Knob should be granted an opportunity to respond to the factual assertions and arguments raised therein.

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[1] Ms. Mitchell's letter states that she was advised of this requirement in our Rules in a telephone conversation with Staff counsel on September 1.

Accordingly, IT IS ORDERED:

(1) That the letter of Ms. Hilda C. Mitchell, received September 6, 1995, by Hearing Examiner Howard P. Anderson, Jr., shall be treated as a Petition for Reconsideration of our order of August 30, 1995;

(2) That said Petition for Reconsideration shall be, and is, granted;

(3) That High Knob shall respond to the averments contained in the letter on or before October 4, 1995;

(4) That Ms. Mitchell shall file her reply, if any, to the response of High Knob on or before October 18, 1995; and

(5) That this matter shall be continued for further orders of the Commission.

NOTE: A copy of the Attachment 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. PUE930009
DECEMBER 12, 1995

APPLICATION OF
HIGH KNOB ASSOCIATES

For a certificate of public convenience and necessity

ORDER ON RECONSIDERATION

By order dated September 19, 1995, the Commission treated a letter from Ms. Hilda C. Mitchell, an intervener herein, as a petition for reconsideration, granted said petition, and directed High Knob Associates ("High Knob" or "Company") to file a response, which it did. Ms. Mitchell's letter, in essence, requested the Commission to reconsider its August 30, 1995, order granting High Knob's petition for reconsideration. On September 14 and 20, 1995, other interveners, Joseph S. Mitchell and Tina C. Hobson, also filed documents styled "Appeals," in which both interveners also sought to protest the August 30, 1995 order of the Commission. At issue herein is the definition of the term "premises" in High Knob's tariff. Our order of August 30, 1995, granted the Company's request to modify the definition; the subsequent pleadings request our reconsideration of that matter.

NOW THE COMMISSION, having considered the interveners' variously-styled pleadings, and the Company's response, is of the opinion and finds that its Order Granting Petition for Reconsideration, dated August 30, 1995, was improvidently granted in part and should be, and hereby is, rescinded to the extent that it authorized the Company to amend the definition of the term "premises" in its tariff. The Commission is convinced from the record that under the previous definition of "premises," High Knob was able to provide water service to the model home in High Knob subdivision and that the Company will be, and is, permitted to continue to provide service to that address (Lot AA70) without necessity of changing the tariff language. Accordingly,

IT IS ORDERED:

(1) That High Knob shall file an amended tariff, reverting to the definition of "premises" that existed prior to our order of August 30, 1995; 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. PUE930030
JULY 14, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a Pilot Program to Conduct Field Testing and Analysis of Certain New Electric Energy Technologies

ORDER GRANTING RECONSIDERATION

On April 20, 1993, Virginia Electric and Power Company ("the Company") filed an application for approval of a pilot program to conduct field testing and analysis of certain new electric energy technologies ("Pilot Programs"). The Pilot Programs were subdivided into a program for residential customers and a program for industrial customers. On August 16, 1993, the Commission issued an order approving the Pilot Programs, subject to the limitations recommended by Commission Staff in its Report of June 25, 1993.

On March 20, 1995, the Company filed its Verified Application for Extension of the Pilot Program to Conduct Field Testing and Analysis of Certain Electrical Energy Technologies. In its application, the Company, among other things, proposed to extend one of its residential Pilot Programs, the Residential Thermal Energy Storage Systems ("RTES") pilot program, from June 30, 1995, to December 31, 1996, and to extend the deadline for a final report and analysis on the RTES pilot program from December 31, 1995, to December 31, 1997. The Company also proposed to extend the maximum number of participants in the RTES pilot program from 25 to 300 and to extend the maximum expenditures allowed for the RTES pilot program from $262,500 to $300,000.

On June 30, 1995, the Commission entered an order which, among other things, provided additional time to conduct the RTES pilot program, increased the maximum number of participants in the RTES pilot program from 25 to 300, and increased the maximum expenditures allowed for the RTES pilot program from $262,500 to $300,000. As the RTES pilot program was one of the residential Pilot Programs, the order also increased the maximum level of expenditures for the residential Pilot Programs from $1,000,000 to $1,037,500.

On July 10, 1994, Virginia Power filed a petition requesting reconsideration of the June 30, 1995 order. In particular, the Company states that although $262,000 was originally earmarked for the RTES pilot program, this money was included in the $1,000,000 maximum expenditures approved for all residential Pilot Programs. The Company further stated that since approval of the Pilot Programs, the interest displayed by the Company's residential, commercial, and industrial customers generally has been even greater than anticipated and that the Company has committed all of the funds approved for the residential customer class, including the $262,000 originally earmarked for RTES.

The Company states that it is requesting approval of an additional $300,000 in funding to be added to the original $1,000,000 approved for residential programs in the Commission's order of August 16, 1993. Accordingly, Virginia Power requests that the Commission reconsider its order of June 30, 1995, and allow the maximum level of expenditures for the residential Pilot Programs to be increased from $1,000,000 to $1,300,000.

Pursuant to the terms of the Commission's Rules of Practice and Procedure 8:9, the Commission is of the opinion that Virginia Power's Petition for Reconsideration should be granted; that all parties to this proceeding should be provided an opportunity to respond to Virginia Power's petition; that Commission Staff shall respond to Virginia Power's petition; and that pending our consideration of these issues, the Order Granting Extensions for Pilot Programs, dated June 30, 1995, shall be suspended with respect to the cap on expenditures for the residential Pilot Programs. Accordingly,

IT IS ORDERED:

(1) That Virginia Power's Petition for Reconsideration is hereby granted;

(2) That any party to this proceeding may file comments regarding Virginia Power's petition by July 24, 1995;

(3) That Commission Staff shall file its comments regarding Virginia Power's petition by July 27, 1995;

(4) That pending our reconsideration of the issues raised by Virginia Power's petition, the Commission's Order Granting Extensions for Pilot Programs, dated June 30, 1995, shall be suspended with respect to the cap on expenditures for the residential Pilot Programs; and

(5) That this matter is continued generally.

CASE NO. PUE930030
OCTOBER 6, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a Pilot Program to Conduct Field Testing and Analysis of Certain New Electric Energy Technologies

ORDER ON RECONSIDERATION

On April 20, 1993, Virginia Electric and Power Company ("the Company") filed an application for approval of a pilot program to conduct field testing and analysis of certain new electric energy technologies ("Pilot Programs"). The Pilot Programs were subdivided into a program for residential customers and a program for industrial customers. On August 16, 1993, the Commission issued an order approving the Pilot Programs, subject to the limitations recommended by Commission Staff in its Report of June 25, 1993.

On March 20, 1995, the Company filed its Verified Application for Extension of the Pilot Programs. In its application, the Company, among other things, proposed to extend one of its residential Pilot Programs, the Residential Thermal Energy Storage Systems ("RTES") pilot, from June 30, 1995, to December 31, 1996, and to extend the deadline for a final report and analysis on the RTES pilot from December 31, 1995, to December 31, 1997. The Company also proposed to extend the maximum number of participants in the RTES pilot from 25 to 300 and to extend the maximum expenditures allowed for the RTES pilot from $262,500 to $300,000.

On June 30, 1995, the Commission entered an order which, among other things, provided additional time to conduct the RTES pilot, increased the maximum number of participants in the RTES pilot from 25 to 300, and increased the maximum expenditures allowed for the RTES pilot from $262,500 to $300,000. As the RTES pilot was one of the residential Pilot Programs, the order also increase the maximum level of expenditures for the residential Pilot Programs from $1,000,000 to $1,037,500.

On July 10, 1995, Virginia Power filed a petition requesting reconsideration of the June 30, 1995 order. In particular, the Company stated that it was requesting approval of an additional $300,000 in funding to be added to the original $1,000,000 approved for the residential Pilot Programs in the Commission's order of August 16, 1993, as the $262,500 originally earmarked for the RTES pilot had been committed to other residential Pilot Programs.

By order dated July 14, 1995, the Commission granted reconsideration of its order of June 30, 1995. In so doing, the Commission provided an opportunity for any party to this proceeding to file comments regarding Virginia Power's petition and directed Commission Staff to file comments.

No party to this proceeding filed comments. On July 27, 1995, Commission Staff filed its report. Staff noted that in Virginia Power's original application, the Company had requested approval of $262,500 to be expended on 25 installations and that the Company now requests $300,000 to be expended on 300 installations. It was Staff's recommendation that the maximum number of RTES installations be increased from 25 to 100, instead of

300 as proposed by the Company. Staff stated that the size and scope of the RTES pilot should reflect its purpose, which is to collect data and gain operating experience to determine if a permanent, full-scale program should be implemented. It was Staff's opinion that an increase in the sample size of up to 100 installations for the RTES pilot is warranted, as this number would be sufficient to provide the Company with a reasonable collection of data for its future/cost benefit analysis.

As the Company requested expenditures in the amount of $1,000 per installation, Staff further recommended that additional expenditures for the RTES pilot be adjusted to include an additional $100,000, instead of $300,000 as proposed by the Company. The $100,000 increase in the RTES pilot would likewise necessitate an increase in allowed expenditures for the residential segment of the Pilot Programs from $1,000,000 to $1,100,000.

On July 31, 1995, Virginia Power, by counsel, filed its Motion to Respond to Staff Report and its Response to Staff Report. Therein the Company stated that it should be allowed to proceed with 300 installations to allow a better sample of data and a better geographic dispersion of installations. Virginia Power also noted that a sample size of 300 compared to the Company's residential customer base of approximately 1.6 million is proportionally smaller than the proportional sample size to customer ratios recently approved for the pilot programs of various natural gas utilities.

On a related matter, Commission Staff received a copy of a letter dated September 6, 1995, from Virginia Power's Manager of Energy Efficiency regarding the rate schedules available for the RTES pilot. In this letter, Virginia Power stated that customers participating in the RTES pilot should be allowed to purchase electricity on Rate Schedule 1T as well as the currently approved Rate Schedule 1S-Residential Service.

NOW THE COMMISSION, upon consideration of the above, is of the opinion that pilot programs should be no larger than necessary to collect relevant data. The fact that one utility's pilot may include a larger percentage of its customers than the pilot at issue is irrelevant. If Virginia Power originally deemed appropriate a sample size of 25 for its RTES pilot, it appears that a sample size of 100 should be more than adequate for its study. Accordingly, upon reconsideration of this matter, we find that Virginia Power should be allowed to increase the number of installations in its RTES pilot from 25 to 100; that $100,000 in additional expenditures should be allowed for the RTES pilot; and that allowed expenditures for the residential segment of the Pilot Programs should be increased from $1,000,000 to $1,100,000.

With respect to the appropriate rate schedules for the RTES pilot, we shall treat Virginia Power's letter of September 6, 1995, as a motion to include the availability of Rate Schedule 1T to the currently available Rate Schedule 1S-Residential Service for use in the RTES pilot. We find that the Company's motion should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The maximum number of participants in the RTES pilot is hereby expanded from 25 to 100.

(2) Additional expenditures in the amount of $100,000 are hereby authorized for the RTES pilot.

(3) The maximum level of expenditures for the residential Pilot Programs is hereby increased to $1,100,000.

(4) Both Virginia Power Rate Schedules 1T and 1S-Residential Service are hereby available for the RTES pilot.

(5) This matter be continued until further order of the Commission.

CASE NO. PUE930046
APRIL 20, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of dispersed energy facility rate

FINAL ORDER

On June 4, 1993, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application with the State Corporation Commission ("Commission") for approval of its Schedule DEF (Dispersed Energy Facility Rate) on an experimental basis pursuant to Virginia Code § 56-234. In its application, the Company proposed to offer Schedule DEF on a voluntary basis to any large commercial or industrial customer that (i) requires electrical energy and an incidental energy source that can be produced in conjunction with the generation of electricity, including but not limited to steam, (ii) has the need for the energy source to be located at or near its service locations, and (iii) is willing to enter into an energy supply agreement that would be reviewed by the Commission's Staff, but would otherwise remain confidential. Under the schedule, the Company would build and operate generating facilities for up to ten commercial and industrial customers at these customers' sites. As subsequently modified by the Company's testimony, Virginia Power proposed to limit the total electrical output of contracted dispersed energy facilities to no more than 200 MW or as otherwise directed by the Commission and to eliminate the requirement that the Commission Staff review contracts executed under the Schedule in confidence. Instead, the Company proposed that such contracts be reviewed by the Commission during proceedings to consider Certificates of Public Convenience and Necessity for facilities constructed under the program.

On September 17, 1993, the Commission entered its Order for Notice and Hearing and assigned the matter to a Hearing Examiner, directed the Company to give notice to the public of its application, set the matter for hearing for January 31, 1994, and established a procedural schedule. The Commission also directed the Company, Staff, and interested parties to file prehearing briefs addressing various issues identified in Appendix A to the Order.

On the appointed day, the matter came for hearing before Glenn P. Richardson, Senior Hearing Examiner. Counsel appearing were Richard D. Gary, Esquire and James S. Copenhaver, Esquire, for Virginia Power; Stephen D. Watts, II, Esquire and Mark J. La Fratta, Esquire, for CRSS Capital, Inc.,

and the Virginia Association of Non-Utility Power Producers (hereafter collectively referred to as "the NUGs"); Kenworth E. Lion, Jr., for Westvaco Corporation ("Westvaco"); Jeffrey M. Gleason, Esquire, and Oliver A. Pollard, III, Esquire, for the Southern Environmental Law Center ("SELC"); Louis R. Monacell, Esquire and John D. Sharer, Esquire, for the Virginia Committee for Fair Utility Rates ("the Committee"); Edward L. Flippen, Esquire, for Smith Cogeneration of Virginia, Inc. ("Smith Cogen"); and William H. Chambliss, Esquire and Sherry H. Bridewell, Esquire, for the Commission's Staff.[1]

No public witnesses appeared to offer testimony in the proceeding. At the conclusion of the hearing, the Hearing Examiner invited the participants to file post-hearing briefs by March 7, 1994. Such briefs were filed by the Company, the NUGs, SELC, and the Staff.

On June 23, 1994, the Hearing Examiner filed his Report. The Examiner recommended that the Commission grant the Company's application to implement Schedule DEF on an experimental basis pursuant to Virginia Code § 56-234.

Comments on the Examiner's Report were filed by Virginia Power, SELC, Reynolds Metals Company ("Reynolds"), NIEP, and the NUGs. In its Comments, Virginia Power endorsed the Examiner's findings that Schedule DEF was an appropriate experiment under Virginia Code § 56-234.

SELC's Comments asserted that the Commission should not approve Schedule DEF without adopting criteria which require the Company to conduct a comprehensive assessment of all energy service options to meet a Schedule DEF customer's energy needs. It agreed with the Examiner that Virginia Power should be directed to shield its captive customers from all costs associated with Schedule DEF and urged the Commission to reject the Company's proposal to negotiate cogeneration deferral rates with Schedule DEF customers in the absence of a fully developed record and evidence to indicate how such alternative rates might be structured or the potential impacts of such an alternative.

Reynolds' Comments did not support approval of Schedule DEF. Reynolds questioned whether Schedule DEF provided the public with a benefit by avoiding loss of load. It saw no "strong probability that a [return in excess of Virginia Power's authorized return] will materialize, and no specific mechanism or incentive in the structure of the program to compel it to materialize." Reynolds found nothing in the proposal to prompt Virginia Power to seek "super-returns" from its DEF customers for the benefit of its remaining customers. Reynolds maintained that the DEF proposal had less in common with public utility service than private entrepreneurship and that the conditions for the competitive options described by the Hearing Examiner do not yet exist in Virginia.

In its Comments, NIEP urged the Commission to reject the Hearing Examiner's Report and Schedule DEF, or in the alternative, hold that the Commission's bidding rules applied to all capacity additions and Schedule DEF. NIEP also questioned whether Schedule DEF was properly conceived as an experiment.

The NUGs urged rejection of the Company's proposal. In their Comments, they asserted that Schedule DEF violates § 210 of PURPA and that the treatment of the DEF proposal as an "experiment" attempts to avoid the express statutory prohibition in Virginia Code § 56-234 against permanent special rates.

NOW THE COMMISSION, having considered the Examiner's Report, the comments thereto, the record herein and the applicable statutes and rules, is of the opinion and finds that Schedule DEF, as proposed, should not be approved.

Virginia Code § 56-234 permits:

> voluntary rate or rate design tests or experiments, or other experiments involving the use of special rates, where such experiments have been approved by order of the Commission after notice and hearing and a finding that such experiments are necessary in order to acquire information which is or may be in furtherance of the public interest.

For a number of reasons, we find that Schedule DEF does not meet the statutory requirements set forth in this section.

First, construction of generating facilities of the size and expected duration, under the scope of authorization sought here, cannot be done on an "experimental" basis. Schedule DEF facilities could be developed up to a proposed total of 200 MW, with the Company maintaining its involvement with these plants for 20 to 30 years. In addition, we do not find that the program is "experimental" when it seeks to include virtually all potential participants within its design.[2] Thus, it does not appear that Schedule DEF is an "experiment" that is "necessary in order to acquire information which is or may be in furtherance of the public interest", but rather is a program designed to mitigate permanently a potential loss of load from a class of customers. While such mitigation may be a laudable goal, we find that Virginia Power can not pursue it as proposed here under the exception in Code § 56-234 for "experiments."

Schedule DEF was proposed by Virginia Power as a means to mitigate increases in costs to remaining ratepayers when a customer is lost to self-generation.[3] However, revenues from a customer who leaves the Company's system to take service from a Schedule DEF facility will be just as lost, to the remaining ratepayers, as the customer who chooses self-generation.[4] Customer losses that might have occurred because of self-generation, may

[1]Smith Cogen, the Committee, Philip Morris, U.S.A., and Chesapeake Paper Products changed their status to that of intervener. The National Independent Energy Producers ("NIEP"), which had also filed a Protest, failed to appear at the hearing.

[2]See, Hearing Examiner's Report at page 5. The Company identified industrial customers representing approximately 200 MW of load as having "a serious interest in Schedule DEF." (Exhibit EPH-3, at page 10.)

[3]The schedule appears to be based on an assumption that costs no longer covered by revenue from the departing customer would be shifted to the remaining ratepayers.

[4]The Schedule DEF customer will be equally as lost as the customer that self-generates unless it agrees to pay the Company a DEF rate that provides a higher than authorized return, which "excess" return the Company agreed to use to reduce the rates of remaining ratepayers. As Reynolds points out in its Comments, however, there is little incentive for the Company to negotiate such "super-returns."

more likely occur because of the availability of the dispersed energy facility service offered under the tariff. Costs which only might have been stranded would more likely become stranded.

We find further that under the proposal before us, there is little for the Commission actually to decide. We do not have a specific construction proposal before us. Therefore, the record is devoid of the analysis which should accompany such a request. We can not estimate the cost, size or duration of a particular Schedule DEF project and determine whether that project can be justified, on either an economic or public policy basis. We can not know, from this record, whether the construction of any such project would be cost-justified. It is not reasonable to approve the "concept" of Schedule DEF in the absence of hard analysis.[5]

Although we deny this application, we wish to emphasize our commitment to the pursuit of innovative ways of delivering energy service to Virginia citizens. The Commission recognizes that the electric utility industry is changing. The Company and the Commission must be ready to investigate and, where appropriate, propose new ideas, methods and ways of fulfilling our respective duties and obligations. The Commission will, where law permits, approve innovative proposals that advance or enhance the public interest. Such innovations must, however, be concrete enough to be subject to reasonable and systematic analysis. For example, in a proper case, with a proper record, we might well consider a DEF-type proposal.[6] In such a case, we would expect to receive evidence regarding the necessity of the construction, including evidence of its specific cost impact on remaining ratepayers and its effect on the "efficiency and economy" of the utility's operations. We would expect as well to be informed of the environmental impacts of such construction, as required under Code § 56-46.1 and whether the proposal is "reasonably calculated to promote the maximum effective conservation and use of energy and capital resources used by public utilities in rendering public utility service," under Code § 56-235.1. If a proposal is to be considered as an experiment, there must be a showing that the experiment is "necessary in order to acquire information which is or may be in the public interest." In addition, all aspects, including at least the size and scope of the experiment, and its impacts on others, must be fully addressed.

Based on the record before us, we must conclude that the DEF program, as proposed by Virginia Power, should not be approved.

Accordingly, IT IS ORDERED:

(1) That the application of Virginia Power for approval of Schedule DEF is denied; and

(2) That, there being nothing further to come before the Commission, the case shall be dismissed and the papers transferred to the file for ended causes.

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[5]In a similar vein, we did not find reasonable Virginia Power's request for an "open-ended approval" to construct "'three or four' combustion turbines," in the absence of a site for such facilities, in Case No. PUE900006. If anything, the record here is even less well-developed than the record in the combustion turbine case. Application of Virginia Electric and Power Company, For approval of expenditures for new generation facilities pursuant to Virginia Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Virginia Code *§ 56-265.2, 1990 S.C.C. Ann. Rpt. 321, 322.*

[6]Because we are denying and dismissing the application, we do not reach the question whether Schedule DEF, as proposed, violates Virginia Code provisions prohibiting price discrimination.

CASE NO. PUE930052
JANUARY 19, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To Amend its Certificate of Public Convenience and Necessity authorizing operation of transmission lines and facilities in King George County: Fredericksburg-Northern Neck Transmission Line - Birchwood Power Partners, L.P. 230 kV Tap Lines and Interconnect Substation

ORDER ISSUING CERTIFICATE

On December 29, 1994, the Commission granted Virginia Electric and Power Company's ("Company") application to construct and operate a double-circuit 230 kV tap line from its Fredericksburg-Northern Neck Transmission Line to the Birchwood Power Partners L.P. qualifying cogeneration facility in King George County and an interconnection substation at the cogeneration facility, including portions of the line and the interconnection substation located outside its service territory. The Commission directed the Company to file an amended map showing the revision in approved routing so that an appropriate amended certificate of public convenience and necessity for King George County could be issued. A map of the proper scale showing the approved route is now on file with the Commission. Accordingly,

IT IS ORDERED:

(1) That an amended Certificate of Public Convenience and Necessity be issued to Virginia Electric and Power Company as follow:

> Certificate No. ET-88e, for King George and Stafford Counties, authorizing the Virginia Electric and Power Company to operate the presently certificated transmission lines and facilities in the Counties of King George and Stafford, and to construct and operate the proposed transmission line and facilities in King George County, all as shown on map attached hereto; Certificate No. ET-88e, will supersede Certificate No. ET-88d, issued on June 26, 1987;

(2) That this case be dismissed from the docket of active proceedings and the papers herein be placed in the files for ended cases.

CASE NO. PUE930066
JULY 17, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its cogeneration tariff pursuant to PURPA § 210

ORDER ESTABLISHING COGENERATION TARIFF

On October 18, 1993, 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 small qualifying facilities ("QFs") pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978 ("PURPA"). The Company also proposed to extend its standard purchase offer to cogenerators and small power producers with a design capacity of 1000 kW or less.

Specifically, Potomac Edison proposed to reduce its on-peak energy rate from 1.824¢ to 1.802¢ per kWh; to reduce its off-peak energy rate from 1.613¢ to 1.546¢ per kWh; and to reduce its weighted average energy rate applicable to non-time differentiated energy purchases from 1.726¢ to 1.683¢ per kWh. The Company also proposed fixed capacity payments ranging from .05¢ to .27¢ per kWh available only to QFs with design capacity of 100 kW to 1000 kW and contract terms from six to ten years. In addition, the Company requested authority to revise its monthly connection charges to reflect an increase for basic watt-hour meters from $8.62 to $9.58; an increase for time-of-use meters from $8.92 to $9.86; and a decrease for recording time-of-use meters from $39.77 to $39.35.

By order dated January 14, 1994, the matter was set for hearing on May 5, 1994. The matter was continued, and a hearing was convened on June 6, 1994, before Hearing Examiner Deborah V. Ellenberg.

Philip J. Bray and Patrick T. Horne appeared as counsel for the Company. Marta B. Curtis and Wayne N. Smith appeared as counsel for the Commission Staff. There were no protestants or intervenors. At the hearing the Company submitted proof of public notice.

At issue in this proceeding were the proper threshold for the applicability of Schedule CO-G, the maximum contract term available to QFs, and the appropriate methodology for developing avoided costs for firm energy and capacity payments as well as the appropriate calculation of such costs.

The Company proposed increasing the applicability threshold of Schedule CO-G from 100 kW to 1000 kW and limiting Schedule CO-G contracts to a term of ten years. The Company proposed to offer energy payments based on the estimated avoided energy cost for the single year 1994 based on the Company's twenty-year integrated resource plan ("IRP") for the period 1993-2012. These energy payments would be updated through subsequent Schedule CO-G filings. At the hearing, Potomac Edison agreed that Staff's recommendation to fix the avoidable fuel mix over the contract term was a reasonable option although the Company continued to support its proposed energy payments subject to regular update.

The Company based its avoided capacity costs on the first ten years of an updated IRP for the period 1994 to 2003. The Company proposed levelized capacity payments calculated by using the value of deferral methodology as applied to combustion turbine units planned for the years 2002 and 2003 under the latter IRP. Under the Company's proposal, only QFs between 100 kW and 1000 kW would be eligible for fixed capacity payments.

Staff recommended that the firm contracts be offered to all QFs with a design capacity of 100 kW or less for a term of up to 30 years. Additionally, Staff was concerned that Potomac Edison's methodology for estimating avoided energy and capacity costs did not reflect the same time period or consistent assumptions and did not represent the Company's long-term avoided costs.

Staff also disagreed with the Company's calculation of avoided energy and capacity costs. It was Staff's position that West Virginia generation taxes should be included in avoidable energy costs and that QFs should be allowed to lock-in long-term avoided energy mixes. Staff maintained that avoidable fixed operation and maintenance ("O&M") expenses should be included as a component of avoidable capacity costs and that the Company's normal financing practices should be reflected in its calculation of avoidable capacity costs rather than assuming highly leveraged project financing.

Staff suggested several options for the Commission's consideration. The first option was to reject the Company's application since the avoided energy and capacity cost calculations were not interrelated. The second option was to accept the Company's filing with minimum modifications to reflect the avoidance of the West Virginia generation tax in energy payments and the inclusion of avoided fixed O&M costs and appropriate financing costs in avoided capacity payments. The final option was to adopt energy payments based on 1995 avoided energy cost projections, adjusted to include the avoided generation tax, and Staff's alternative capacity payments which assume a design capacity of 100 kW or less and payments for contracts up to 30 years.

On April 25, 1995, the Examiner filed her Report. In her Report, the Examiner discussed in detail the issues in controversy. Relative to the issue regarding Potomac Edison's methodology for calculating energy and capacity payments, the Examiner concluded that such payments were clearly discrete and unrelated. The Examiner noted that such calculations should be logically related, proceed from one integrated study with interrelated assumptions and components, and have the same resource plan and planning horizon as the basis for calculating energy and capacity payments.

In her Report, the Examiner found that:

1. The threshold for availability of Schedule CO-G should be maintained at 100 kW or less;

2. The Company's proposed monthly connection charges are reasonable;

3. The Company's proposed Schedule CO-G energy payments should be calculated based on the Company's estimates of 1995 avoided energy costs modified to reflect avoided West Virginia generation taxes;

4. The Company should establish fuel mixes to allow QFs to lock-in energy payments for a period of up to 30 years in its next cogeneration case;

5. For purposes of this case, Staff's alternative capacity payment schedule is reasonable (Attachment A);

6. The Company should reexamine its method of calculating energy and capacity payments and offer recommendations in its next case to the Commission for an interrelated approach based on the same planning horizon to derive energy and capacity payments consistent with the Examiner's discussion; and

7. Potomac Edison should be allowed to withdraw its Schedule CO-G filing made subsequent to this case (PUE950007) and should file its next Schedule CO-G in 1996 and biannually thereafter.

The Examiner recommended that the Commission adopt the findings in her report; approve the Company's Schedule CO-G payments as modified therein; and dismiss this case from the Commission's docket of active cases passing the papers to the file for ended causes.

There were no comments or exceptions filed.

NOW THE COMMISSION, having considered the record, is of the opinion that the Examiner's findings and recommendations are reasonable and should be adopted. Accordingly,

IT IS ORDERED:

(1) That, consistent with the findings referenced herein, Potomac Edison's Schedule CO-G, as modified, be and hereby is approved effective August 15, 1995;

(2) That, forthwith upon receipt of this order, Potomac Edison shall file a revised Schedule CO-G reflecting the modification ordered herein and bearing an effective date of August 15, 1995;

(3) That Potomac Edison file a revised schedule of payments for QFs in calendar year 1996 and make subsequent filings biannually thereafter, such filing to reflect the applicable Integrated Resource Plan last filed with the Commission, updated for known changes; and

(4) That, there being nothing further to be done in this matter, it be and hereby is dismissed and the papers placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "The Potomac Edison Company Schedule CO-G Staff Alternative" 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. PUE930071
NOVEMBER 17, 1995

APPLICATION OF
C&P SUFFOLK WATER COMPANY

For a certificate of public convenience and necessity

FINAL ORDER

On June 30, 1994, C&P Suffolk ("C&P Suffolk" or "the Company") completed its application for a certificate of public convenience and necessity. In its application the Company requested authority to provide water service to residents of the Oakridge, Holland, Bennett's Harbor, Maple Hills, Beck's, S.L. Hines, Lake Forest, and Lake Meade subdivisions in Suffolk, Virginia.

The Company also requested approval of the following tariffs:

Oakridge/Holland subdivisions (Bi-monthly rates)	First 8,000 gallons of water usage - $26.00 $1.50 per 1,000 gallons over minimum of 8,000 gallons Minimum charge - $26.00
Bennett's Harbor, Beck's, Maple Hills subdivision	Residential - flat rate of $17.00 per month Commercial - metered $1.15 per 1,000 gallons Commercial-non-metered $92.50 per month
S.L. Hines (Bi-monthly rates)	First 5,000 gallons of usage - $24.00 $1.00 per 1,000 gallons over minimum of 5,000 gallons Minimum charge - $24.00
Lake Forest/Lake Meade (Bi-monthly rates)	First 6,000 gallons of water usage - $35.00 $1.15 per 1,000 gallons over minimum of 6,000 gallons Minimum charge - $35.00

The Company also proposed a $600.00 service connection charge, a $20.00 meter testing fee, a $25.00 turn-on charge, and a $5.00 availability fee. In addition, C&P Suffolk proposed a bad check charge of $6.00, a late payment fee of 1½% per month on all past due balances, and a deposit not to exceed a customer's estimated usage for two months.

On July 18, 1994, the Commission issued an order inviting written comments and requests for hearing and directing its Staff to review the Company's application and to report its findings and recommendations. On December 13, 1994, Staff filed a report wherein it recommended that the Commission set the matter for hearing for the purpose of assessing the reasonableness of the Company's proposed rates.

On December 27, 1994, the Commission issued an order declaring C&P Suffolk's rates interim and subject to refund and directing that the Company file certain financial information on or before March 31, 1995. By order dated March 9, 1995, the Commission scheduled the matter for hearing and established a procedural schedule for the filing of pleadings, testimony, and exhibits.

Pursuant to that Order a hearing was held on July 20, 1995, before Hearing Examiner Howard P. Anderson, Jr. Counsel appearing were Robert W. Jones, Jr., for the Company, and Marta B. Curtis for the Commission Staff. The Company presented proof of notice at the commencement of the hearing. No interveners appeared.

At issue at the hearing were Staff's accounting adjustments eliminating the Company's mowing expense and the fee paid by the Company to the Internal Revenue Service ("IRS") for the purpose of changing the tax methodology for calculating C&P Suffolk's depreciation. There was an additional issue concerning Staff's proposed change to Rule No. 9(f) of the Company's tariffs whereby Staff eliminated certain language relative to the landlord's liability for the tenant's bill. Although not at issue in the proceeding, Staff recommended certain modifications to the Company's rates and tariffs, the details of which are referenced herein. Staff also made certain recommendations regarding the booking of rate case expense, contributions-in-aid-of-construction, plant retirements, and deferred income tax.

In regard to the accounting issues in controversy, the Company maintained that the cost for mowing provided by its affiliate, Christian & Pugh, was reasonable based on an estimate provided by an unaffiliated company while Staff maintained that the Company should minimize its mowing costs by using a bidding process. Although the Company claimed that the IRS fee should be included in its cost of service, Staff did not adjust cost of service to include this post-test year expense as it was a non-recurring expense.

On September 20, 1995, the Hearing Examiner filed his Report. The Examiner found that:

1. C&P Suffolk should be granted a certificate of public convenience and necessity to provide water service through the eight systems comprising the C&P water system located in Suffolk, Virginia;

2. The use of a test year ending December 31, 1994, is proper for this proceeding;

3. The Company's test year operating revenues after all adjustments, were $155,284;

4. The Company's test year operating expenses, after all adjustments, were $121,926;

5. The Company's test year adjusted operating income, after all adjustments, was $33,358;

6. The Company's rate base, after all adjustments, is $249,142;

7. The Company's proposed rates will afford the Company a 13.39% rate of return on rate base;

8. Staff's accounting adjustments, except as modified herein [to accept the Company's mowing expense], should be adopted;

9. The Company's proposed rules and regulations, as modified by Staff, are just and reasonable and should be approved by the Commission; and

10. The Company's proposed rates and tariffs, as modified herein, are just and reasonable and should be approved.

The Examiner recommended that the Commission enter an order that adopts the findings in his Report; grants C&P Suffolk a certificate of public convenience and necessity; approves C&P Suffolk's proposed rates and tariffs, as modified herein; and dismisses the case from the Commission's docket of active cases.

In his discussion of the modifications referenced above, the Examiner accepted Staff's position regarding the elimination of certain language in Rule No. 9(f), the addition of certain language in Rule No. 11, and the elimination of the Company's proposed availability fee. Staff recommended that language be added to Rule No. 11 to reflect that late payment charges would not be applicable to consumer taxes collected on behalf of governmental bodies.

The Examiner found that a flat bimonthly rate of $26.00 should be implemented for the Holland system; a commercial flat rate of $92.50 per month should be implemented for the Bennett's Harbor, Beck's, and Maple Hills systems; and a bimonthly flat rate of $800.00 should be charged to the Hines mobile home park. The remaining customers of the S.L. Hines subdivision should be charged the metered rate set out in the Company's tariff. In addition, the Examiner found that the Company should install the necessary master meter or meters to record the park's actual usage, and at the end of one year from the date of the final order in this case, the Company should submit actual usage data for the entire S.L. Hines system to Staff for review.

No comments or exceptions to the Hearing Examiner's Report were filed.

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. The Examiner approved the Company's mowing expense, and we too approve such expense noting that this is the Company's first application. In forthcoming proceedings, however, the Company should be prepared to present full and adequate support for all its affiliate expenses. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner as detailed in his September 20, 1995 Report are hereby adopted.

(2) C&P Suffolk shall be granted Certificate No. W-280 to provide water service to the Oakridge/Holland, Bennett's Harbor, Maple Hills, Beck's, S.L. Hines, Lake Forest, and Lake Meade subdivisions in Suffolk, Virginia.

(3) C&P Suffolk's proposed rates and tariffs, as modified herein, are hereby approved.

(4) The Company shall implement Staff's booking recommendations detailed herein.

(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. PUE940004
JANUARY 27, 1995

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of pilot programs to promote the installation of certain high efficiency gas appliances

ORDER AUTHORIZING PILOT PROGRAMS

On January 31, 1994, Washington Gas Light Company ("WGL" or "Company") filed an application requesting the Commission's approval of six pilot demand-side management ("DSM") programs. These six programs are: (R-1) Residential Boiler/Furnace Installation Assistance program; (R-2) Residential Water Heater program; (R-3) Residential Space Conditioning Demonstration program; (CG-1) Commercial and Industrial/Group Metered Apartment Boiler/Furnace Installation program (Space Heating); (CG-2) Commercial and Industrial/Group Metered Apartment Boiler/Furnace Installation program (Water Heating); and (GC-3) Gas Chiller program.

WGL proposed to provide funding to pay the incremental capital cost of these high efficiency natural gas appliances for a limited number of residential, commercial, and multi-family customers within its service territory. The Company proposed to offer these programs for a period of two years commencing prior to the 1994/1995 winter heating season and extending until the program funds approved by the Commission were fully expended.

On February 25, 1994, the Commission entered a procedural order in this docket, providing for publication of notice of the contents of the application and establishing a period for the receipt of public comments or requests for hearing. On April 28, 1994, Virginia Electric and Power Company ("Virginia Power") filed comments raising its concerns with WGL's application. Virginia Power stated its belief that WGL's proposed programs contain an excessive and unreasonable number of participants and budgeted dollars. Virginia Power also argued that WGL's proposals should be modified to provide clearly defined time limits for conducting the pilot program. Finally, Virginia Power was concerned with the level of incentive payments for the Residential Water Heater (R-2) program, the Commercial and Group Metered Apartment Gas Chiller program (CG-3), and the other two commercial and group metered apartments programs (CG-1 and CG-2).

By motion dated May 6, 1994, WGL sought leave to file its Response to the comments of Virginia Power, attaching a copy of its Response to its motion. On May 10, 1994, Commission Staff filed a motion requesting an extension to June 10, 1994, for the filing of its Report on WGL's proposed pilot programs. Both motions were granted by Commission order dated May 10, 1994.

In WGL's Response to the comments of Virginia Power, the Company stated that the participant level of its proposed DSM programs should not be reduced, as the number of participants was chosen to ensure WGL will have a statistically valid sample from which inferences concerning full-scale program performance can be made. WGL also stated that the proposed pilot programs have a defined duration equal to two years or that period of time sufficient to exhaust the programs' budget. In addition, the Company stated that its proposed incentives are supported by substantial evidence.

On June 10, 1994, the Commission Staff filed its Report addressing the proposed programs. In its Report, the Staff noted that development of DSM pilot programs is necessary to gather specific program data and operating experience needed to design permanent DSM programs for Virginia. While Staff recommended approval of the proposed programs, three modifications were suggested. First, Staff expressed concern regarding the large number of participants in the proposed programs and suggested that the scope of the programs be more limited to reflect their pilot status. Staff recommended all proposed pilot programs, with the exception of the Residential Space Conditioning Demonstration program (R-3), be limited to half of the proposed number of participants. Second, the Staff recommended that program budgets be reduced to reflect the suggested number of program participants. Finally, Staff recommended that all six pilot programs be limited to a specific two year pilot period.

The Commission, having considered the application, the Report of its Staff, the pleadings filed herein, the comments, and the applicable rules and statutes, finds that pilot programs, modified as noted herein, should be approved. The Commission finds that it is in the public interest for WGL to utilize the pilot programs described in its application, as modified herein, in order to gather data and test program concepts. Such data will enable the Company and the Commission to determine whether the programs are feasible and should be implemented on a permanent basis.

We established a broad policy framework for the development of DSM programs in Case No. PUE900070. The March 27, 1992, Final Order in that case affirmed our support for cost effective DSM programs as essential components of balanced resource portfolios.

A number of electric and natural gas utilities have filed for approval of DSM programs since the March 1992 and June 1993 Orders were issued in Case No. PUE900070. We are encouraged by the variety of DSM programs filed by utilities in response to the policy changes initiated in that docket. We are concerned, however, that some utilities may be pursuing programs that are designed mainly to increase sales. Such programs may not be in the public interest, which includes consideration of impacts on the ratepayer, the environment and other factors. We are also concerned that certain DSM programs may be used inappropriately because of increasing competition between the electric and natural gas industries. Competitive pressures to lower rates, in general, may result in an overemphasis on load factor improvement programs, which often increase sales. It is prudent, therefore, to limit proposed DSM programs to a scale that is appropriate for their pilot status and to review our regulatory policy regarding such programs in light of changes in the electric and natural gas industries.

Recent proposals for experimental programs have also raised some familiar, but nonetheless exceedingly difficult, equity issues. The participants in DSM programs will typically benefit from such programs, as often will the utility. Customers who do not participate, however, may end up with slightly higher rates. In most cases, non-participants may receive rate benefits only when the program results in increased total sales. With the exception of the promotion of the gas chiller program, WGL's proposed programs have preliminary benefit/cost test results that indicate higher rates for non-participants in the programs. While the impact on rates is but one measure of cost effectiveness, it is a measure that raises concerns regarding fairness. Higher rates for low income customers who may be unlikely to participate in such programs are a particular concern. The effects of DSM programs on rates and the relationship between changes in sales and rate levels to individual customer classes are issues that must be resolved if DSM programs are to be successful in Virginia.

As a result of these concerns, we will approve WGL's proposed programs but will greatly limit their scope. We believe that the Virginia specific data gathered from these more limited pilot programs over a two year study period, in conjunction with the data gathered from similar on-going programs in the Company's other two jurisdictions, will provide WGL with the information it needs to determine whether permanent programs would be appropriate in Virginia.

The Residential Boiler/Furnace Installation Assistance program shall be authorized for up to 1,000 customers as opposed to the 2,400 customers requested. The Residential Water Heater program shall be approved for up to 200 participants as opposed to the 800 participants requested. The Residential Space Conditioning Demonstration program shall be approved for up to 40 customers, as proposed by the Company.

The Commercial and Industrial/Group Metered Apartment Boiler/Furnace Installation program (Space Heating) shall be authorized for up to 1,000 units as opposed to the 6,400 units requested. In addition, the incentive given to any one customer in this program shall be restricted to no more than $15,000. The Commercial and Industrial/Group Metered Apartment Boiler/Furnace Installation program (Water Heating) shall be approved for 1,000 units as opposed to the 3,000 units requested. The budget rather than the number of participants shall be restricted in the Gas Chiller program. This program shall be limited to a direct total cost over a two year period of $500,000. This compares to a proposed projected budget of $1,500,000.

We recognize WGL's desire to conduct large pilot programs in order to obtain data that are statistically valid based on sampling techniques. Yet, even assuming that the Company's statistical arguments are sound, the concerns we outlined above lead us to reject basing the number of participants in these programs solely on statistical sampling techniques.

We find that, due to the reduced size and experimental nature of the approved programs, a public hearing is unnecessary in this proceeding. Should WGL seek permanent implementation, it will, of course, bear the burden of showing that its programs will be cost effective on a permanent basis.

Finally, although we are approving the modified programs on an experimental basis, we make no finding regarding the reasonableness or recovery of their associate costs. Recovery of these costs is more appropriately the subject of a subsequent proceeding in which the Company may offer evidence identifying and supporting the expenditures associated with its programs. Accordingly,

IT IS ORDERED:

(1) That the pilot programs proposed by WGL are hereby approved for a period of two years from the date of this order, subject to the limitations identified herein;

(2) That the Company shall file a status report with the Commission's Division of Economics and Finance every six months during the term of the pilot programs, which, at a minimum, should address the number of customers participating in each program, the expenditures associated with each program, and any difficulties experienced by the Company in implementing each program;

(3) That WGL shall file a final report and analysis of the pilot programs not later than six months following the end of the implementation period, and not later than September 1, 1997; and

(4) That this matter be continued until further order of the Commission.

CASE NO. PUE940006
JANUARY 24, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY,
Petitioner
v.
E.I. DUPONT DE NEMOURS & COMPANY
and
LG&E POWER, INC.,
Defendants

DISMISSAL ORDER

On February 23, 1994, Virginia Electric and Power Company ("Virginia Power") filed a petition for declaratory judgment against E.I. DuPont de Nemours, Inc. ("DuPont") and LG&E Power Systems, Inc. ("LG&E"). The petition alleged that a proposal by DuPont and LG&E to enter into a partnership to supply energy services to certain DuPont plants would, if implemented, violate Virginia law and Virginia Power's property rights under certificates of public convenience and necessity issued by the Commission.

The Potomac Edison Company ("Potomac Edison"), several electric cooperatives and Appalachian Power Company ("APCO") filed motions to intervene and the motions were granted. DuPont filed a motion to dismiss on July 1, 1994, joined by LG&E, arguing that the Commission lacked jurisdiction. The other parties were permitted, and filed, responses to the motion. DuPont and LG&E replied.

On December 9, 1994, DuPont, by letter, submitted a press release to the record announcing that the contemplated partnership proposal had been abandoned by DuPont and LG&E. By order of January 3, 1995, the Commission directed the parties to file memoranda addressing whether the case should be dismissed. DuPont filed a supplemental motion to dismiss on January 4, and Potomac Edison and APCO did not oppose dismissal. Virginia Power opposed dismissal in a response filed on January 13.

NOW, THEREFORE, the Commission finds that there is no longer any decision to be made in this case; the subject matter of the dispute, the partnership proposal, no longer exists. Accordingly,

IT IS ORDERED:

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

(2) That the papers herein be placed in the Commission's files for ended causes.

CASE NO. PUE940007
JANUARY 12, 1995

APPLICATION OF
SYDNOR WATER CORPORATION

For a certificate of public convenience and necessity to provide water utility service and for approval of rates, charges, rules, and regulations

AMENDING ORDER

On December 27, 1994, the Commission issued a Final Order in the above referenced proceeding. In ordering paragraph (3) of that order, there was an incorrect reference to the amount of increase in gross annual revenues granted to Sydnor Water Corporation ("Sydnor"). Ordering paragraph (3) referenced that amount as $131,264. The amount should have been $131,262.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion that our December 27, 1994 Order should be amended to provide the correct reference to the increase granted to Sydnor. Accordingly,

IT IS ORDERED:

(1) That our December 27, 1994 Order in this proceeding shall be amended to correct the reference to the increase in gross annual revenues granted to Sydnor Water Corporation;

(2) That the corrected reference to the increase in gross annual revenues shall be $131,262; and

(3) That this matter be, and hereby is, dismissed from the Commission's docket of active cases.

CASE NO. PUE940008
JANUARY 27, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of the pilot program: "Energy Saver Home Plus"

ORDER AUTHORIZING PILOT PROGRAM

On March 1, 1994, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed its application for approval of a demand-side management ("DSM") pilot program. The proposed Energy Saver Home Plus ("ESH+") program would be conducted for a period of three years. Virginia Power proposed to offer rebates to up to 2,000 residential customers to promote the construction of homes with high efficiency electrical equipment and high weatherization standards.

On March 11, 1994, the Commission entered a procedural order in this docket, providing for publication of notice of the contents of the application and establishing a period for the receipt of public comments or requests for hearing. Comments were received from the Southern Environmental Law Center ("SELC"), the National Association of Home Builders Research Center ("NAHBRC"), Virginia Citizens Consumer Council ("VCCC"), Washington Gas Light Company ("Washington Gas" or "WGL"), and the Virginia Department of Mines, Minerals, and Energy ("DMME").

The SELC filed its comments in this proceeding on March 3, 1994. The SELC agreed with Virginia Power's assertion that implementation of this program is in the best interest of the Company's customers and the public at large. The SELC stated that the ESH+ program helps fill the need for comprehensive energy efficiency programs for the new construction market. The SELC also expressed its belief that the program should not be limited to only 2,000 customers over the next three years. The SELC urged the Commission to move quickly to approve the program.

On May 9, 1994, the NAHBRC filed its comments in support of the Company's ESH+ program. NAHBRC stated that the ESH+ program can contribute substantially to energy conservation efforts in the state.

The VCCC filed its comments on May 13, 1994. The VCCC raised a number of questions concerning the Company's proposal. The VCCC questioned, among other things, the proposed radon standards, the necessity of the rebate, the load impact, and the fairness of the ESH+ program.

On May 13, 1994, Washington Gas filed comments recommending that Virginia Power provide additional information on the proper use of incentives and the impact of the ESH+ program on Virginia Power's ratepayers and on alternate energy suppliers. Washington Gas further stated that a hearing may be required in this proceeding if Virginia Power is unable to provide such information.

The DMME also submitted comments on May 13, 1994, in support of Virginia Power's ESH+ program. The DMME encouraged the Commission's favorable consideration of the Company's application.

On May 31, 1994, the Commission Staff filed its Report addressing the proposed program. In its Report, the Staff noted that development of pilot programs is necessary to gather the specific program data and operating experience needed to design successful, permanent DSM programs in Virginia. The Staff, believing the ESH+ program will encourage investments in the installation of high efficiency equipment and weatherization improvements and provide information on efficiencies that can be achieved through such investments, recommended Commission approval of Virginia Power's application subject to two modifications. Staff recommended Virginia Power respond to the VCCC's question regarding radon resistant construction and that the Company use the most recently approved overall cost of capital in the evaluation of the ESH+ pilot program. Staff also stated that Virginia Power should distribute the number of participants in the program evenly throughout the Commonwealth in order to gain more complete and reliable statistical information.

The Commission, having considered the application, the Report of its Staff, the pleadings filed herein, the comments, and the applicable rules and statutes, finds that a pilot program modified as provided herein should be approved. The Commission finds that it is in the public interest for Virginia Power to utilize the ESH+ pilot program described in its application, as modified herein, in order to gather data. Such information will enable the Company and the Commission to determine whether the program is feasible and should be implemented on a permanent basis.

We established a broad policy framework for the development of DSM management programs in Case No. PUE900070. The March 27, 1992, Final Order in that case affirmed our support for cost effective DSM programs as essential components of balanced resource portfolios.

A number of electric and natural gas utilities have filed for approval of DSM programs since the March 1992 and June 1993 Orders were issued in Case No. PUE900070. We are encouraged by the variety of DSM programs filed by utilities in response to the policy changes initiated in that docket. We are concerned, however, that some utilities may be pursuing programs that are designed mainly to increase sales. Such programs may not be in the public interest, which includes consideration of impacts on the ratepayer, the environment and other factors. We are also concerned that certain DSM programs may be used inappropriately because of increasing competition between the electric and natural gas industries. Competitive pressures to lower rates, in general, may result in an overemphasis on load factor improvement programs, which often increase sales. It is prudent, therefore, to limit proposed DSM programs to a scale that is appropriate for their pilot status and to review our regulatory policy regarding such programs in light of changes in the electric and natural gas industries.

Recent proposals for experimental programs have also raised some familiar, but nonetheless exceedingly difficult, equity issues. The participants in DSM programs will typically benefit from such programs, as often will the utility. Customers who do not participate, however, may end up with slightly higher rates. In most cases, non-participants may receive rate benefits only when the program results in increased total sales. Preliminary benefit/cost analysis provided by Virginia Power on Schedule 5 of its application indicates that the ESH+ program fails the ratepayer impact measure test in two of the four scenarios developed by the Company. Thus, the ESH+ program could mean higher rates for non-participants in the program. While the impact on rates is but one measure of cost effectiveness, it is a measure that raises concerns regarding fairness. Higher rates for low income customers who may be unlikely to participate in such programs are a particular concern. Low income customers are not typically buyers of new homes, particularly

of homes with the efficiency standards of the ESH+ program. The effects of DSM programs on rates and the relationship between changes in sales and rate levels to individual customer classes are issues that must be resolved if DSM programs are to be successful in Virginia.

As a result of these concerns, we will approve Virginia Power's proposed ESH+ program but limit it to no more than 1,000 participants. This participation limit is half of the 2,000 participants proposed by the Company. We adopt the Staff's recommendations to use the most recently approved cost of capital in conducting its program evaluation. We also share the concerns of VCCC and the Staff regarding obsolete radon standards and direct that Virginia Power adopt the most recent EPA radon standards for residential buildings for use with the ESH+ program.

The VCCC also raised a number of important questions regarding, among other things, the need for rebates and the load impact of the program. We believe, however, that many of these questions cannot be adequately answered until data are collected from the pilot program. Washington Gas also raised a number of questions and concerns that cannot be adequately addressed without benefit of better data and actual operating experience. We believe the much smaller program approved is not likely to have a substantial impact on Washington Gas or its customers. Virginia Power should also take steps to assure that the program is conducted and promoted throughout its service territory so as to prevent a disproportionate impact on any one particular alternative energy supplier.

The Commission finds that, due to the limited size and experimental nature of the pilot program, a public hearing is unnecessary in this proceeding. Should Virginia Power seek permanent implementation, it will, of course, bear the burden of showing that the program will be cost effective on a permanent basis.

Finally, although we are approving the modified program on an experimental basis, we make no findings concerning the reasonableness or recovery of its associated costs. Recovery of these costs is more properly the subject of a subsequent proceeding in which the Company may offer evidence identifying and supporting the expenditures associated with its program. Accordingly,

IT IS ORDERED:

(1) That the pilot ESH+ program proposed by Virginia Power in its application is hereby approved for a period of three years from the date of this order, subject to a limit of 1,000 customers and other modifications discussed herein;

(2) That the Company shall file a status report with the Commission's Division of Economics and Finance, every six months during the term of the pilot program, which, at a minimum, should address the number of customers participating in the program, program expenditures, and any difficulties experienced by the Company in implementing the program;

(3) That Virginia Power shall file a final report and analysis of the pilot program not later than six months following the end of the implementation period, and not later than September 1, 1998; and

(4) That this matter be continued until further order of the Commission.

CASE NO. PUE940010
JANUARY 5, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THOMAS BRIDGE WATER CORPORATION

ORDER APPROVING FINAL RATES AND REMANDING INTERIM RATES

On January 25, 1994, Thomas Bridge Water Corporation ("Thomas Bridge" or "Company") notified its customers of its intent to seek a rate increase pursuant to the Small Water or Sewer Public Utility Act (Code of Virginia, § 56-265.13:1 et seq.) designed to recover $160,829 in additional annual revenues. Those rates were implemented on an interim basis, subject to refund, on March 15, 1994.

The Commission set this matter for hearing, following the receipt of a large number of customer complaints. In July 1994, the matter was brought on for hearing before Hearing Examiner Deborah Ellenberg. Examiner Ellenberg's Report recommends that the Commission approve a two-step rate increase for the Company, based on a finding that the Company's current permanent rates are now sufficient, but that rates must be increased in two steps due to Thomas Bridge's construction of a new water treatment facility. Financing for this construction is pending with the Farmers Home Administration. That agency requires, as a condition of financing approval, rates which will ensure timely repayment of its loan. Thomas Bridge's proposed rates will accomplish this objective. In sum, Examiner Ellenberg found that the portion of the interim rate increase implemented by Thomas Bridge related to the Company's operations and maintenance expenses should be refunded, but that the Company would be entitled to a "Phase One" increase, effective March 15, 1994, of $38,480 to enable it to recover the first interest installment on the Farmers Home Administration financing for the water treatment plant construction. The Examiner also found that Thomas Bridge would thereafter be entitled to a "Phase Two" adjustment, bringing the total increase to the full $160,829. The Phase Two increase was to be implemented following the construction of the treatment facility.

The Company filed exceptions to the Examiner's Report on November 23, 1994. The Company excepted to the Examiner's findings regarding the necessity for additional funds to make operations and maintenance repairs to its system, independent of the financing requirements for the water treatment facility. The Commission's Staff asserted, and the Examiner agreed and so found, that the Company had not adequately borne its burden of proof as to these requested expenditures.

Section 8 of the Commission's rules implementing the Small Water or Sewer Public Utility Act provides that adjustments may be made to test year levels of expense to reflect "known and certain changes occurring within 12 months after the test year." The Examiner has, quite properly, interpreted this section of the rules to preclude any applicant from incorporating a "'wish list' of plant, personnel and expenses, the utility would like to incur" into its

cost of service. Many of the requested items were rejected by the Examiner because they did not meet the "known and certain" requirement of the rules. For example, the Examiner rejects the Company's request for funds to hire two additional maintenance employees because no new employees are now under contract and it appeared that the hiring process had not begun.

Further, the Examiner also rejected recovery in expense of items more properly designated as capital items that should be included in the Company's rate base. For example, Thomas Bridge requested almost $80,000 for the purchase of "valves, meter setters, meter boxes, pipe and miscellaneous materials and equipment for connection repairs."

Nevertheless, the Examiner found that Thomas Bridge "does have an ongoing need for repair and maintenance work." The Report also notes that Staff witness Stevens "agreed that the system is in imminent jeopardy if all of the repairs are not made in the near future."

In its exceptions, the Company argues that the 1993 test year was not "indicative of the utility's future revenue requirements" because, essentially, it ran out of money to perform needed maintenance and repairs due to the financial constraints of the preliminary work on its new treatment facility. It points out that between 1991 and 1993, it expended nearly $600,000 on system improvements, of which $186,000 was spent on "up front" items, such as engineering and permitting, for the treatment facility.[1] The Company argues that all items disallowed by the Examiner are properly recoverable in its rates. It further suggests that all such items should be recovered as expense, not capital, items. This latter point is indisputably incorrect. For example, the Company requests $37,400 in new rates for the purchase of two trucks. Because Thomas Bridge will not spend $37,400 each year for new trucks, rates should not be increased by $37,400 on an annual basis. Recovery of this expense should be extended over a number of years.

It appears to the Commission that the Examiner is correct in finding that the Company has done a poor job of presenting its case, whether from a misunderstanding of its burden under the rules or a misunderstanding of accrual accounting. Nevertheless, the record supports a finding as to the reasonableness of the Company's proposed rates, at least insofar as they apply to the Phase Two period following the new construction. The record further supports the Examiner's finding that Thomas Bridge should recover at least $38,480 during the Phase One period, i.e., beginning March 15, 1994, in order to recover its first year's interest expense. However, the record also strongly suggests that Thomas Bridge's system requires some immediate repair and maintenance in the interim before the treatment facility is completed. Given these circumstances, the Commission can not conclude that the Company's application for further Phase One rate relief should be rejected because of a too-mechanical application of the rules that might result in the collapse of its water system.

The Commission will approve Thomas Bridge's proposed rates for the Phase Two period, beginning on the first day of the month following the date its new water treatment facility is in service. Thomas Bridge is directed to provide the Commission's Staff thirty day's notice of the proposed date for implementation of the final rates in order that Staff may confirm the date the facility is placed in service. The Commission will also approve the Phase One period recovery of the $38,480 interest expense item. The Commission will remand the remainder of the Phase One portion of the rate increase that was implemented March 15, 1994, to the Examiner with additional instructions.

Thomas Bridge is instructed to file, on or before February 17, 1995, an income statement, balance sheet, cash flow statement and an analysis of all maintenance and capital expenditures for 1994. Thomas Bridge is also directed to file a statement of its proposed maintenance expenditures for the pro forma period and any and all evidence in its possession which will satisfy the "known and certain" requirements of our rules. The Accounting Staff is directed to audit these documents as expeditiously as possible; the Division of Energy Regulation is directed to review the Company's proposed maintenance plans; and, both divisions are directed to report their findings, including recommendations regarding the reasonableness of Thomas Bridge's schedule of proposed and completed maintenance, on or before March 17, 1995. Thereafter, the Examiner is requested to expedite, to the extent possible, any procedural schedule she finds necessary to conclude this matter. Thomas Bridge's Phase One rates shall remain subject to refund[2] pending further orders of the Commission. The Examiner is directed to review Thomas Bridge's interim rates for the period beginning March 15, 1994, and determine what portion of those interim rates, if any, should be refunded. In effect, the Commission has determined that Thomas Bridge should be given an additional opportunity to show that it needs the balance ($122,349) of the Phase One increase, or some part of it, that it implemented on March 15, 1994. Further, the Commission finds that the Phase Two rates are reasonable, on a permanent basis, upon the placement of the treatment plant in service. Finally, the Commission directs the Staff to conduct an audit of Thomas Bridge's cost of service for the twelve-month period following the in-service date of the new water treatment facility and report its findings to the Commission.

[1]It appears that, upon the closing of the financing for its treatment facility, Thomas Bridge will be able to recover most, if not all, of these "up front" amounts from the Farmers Home Administration loan/grant.

[2]With the exception of the $38,480 interest expense approved herein.

CASE NO. PUE940010
JULY 24, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

v.

THOMAS BRIDGE WATER CORPORATION

FINAL ORDER

On January 5, 1995, the Commission issued its Order Approving Final Rates and Remanding Interim Rates in which it approved a portion of the rate increase[1] requested by Thomas Bridge Water Corporation ("Thomas Bridge" or "Company") and remanded the balance of the case to the Hearing

[1]The Commission approved the Phase II portion of the rate request and $38,480 of the $160,829 Phase I rate request. The balance ($122,349) of the Phase I portion of the rate request was remanded. The Company has been collecting interim rates designed to produce $160,829 in additional annual revenues, i.e., its entire proposed increase, since March 15, 1994.

Examiner to permit Thomas Bridge an opportunity to provide adequate evidence of its need for additional rate relief in order to make extensive repairs to its water system.

A public hearing was held on the matter on May 11, 1995, and the Hearing Examiner issued her Final Report on Remand on June 23, 1995. The Examiner recommends approval of the rates as proposed by the Company.

NOW THE COMMISSION, having considered the Final Report on Remand, the record and pleadings herein, and the applicable statutes and rules is of the opinion and finds that the conclusions, findings and recommendations contained in the Final Report on Remand are reasonable and should be approved, with the following modifications.

The Commission Staff recommended that the Company's new truck, purchased in 1994, should be depreciated at the rate of 3% per year, consistent with the Commission's rules[2] for small water and sewer companies. The Company disagreed, on the basis that the expected useful life of its truck was only 5, and not 33 1/3, years. The Examiner agreed with Thomas Bridge, finding that its objection satisfied the provision in the rules permitting use of a different depreciation rate. That rule provides:

> A 3% composite rate of depreciation is usual and customary and presumed to be reasonable. Any company which desires to use a higher accrual rate shall notify the Commission's Divisions of Energy Regulation and Accounting and Finance of its intent to change this rate in advance of booking same and shall provide to these Divisions a copy of a study or other documents which the company believes supports its proposed change. The Staff shall review this change and advise the company of the results of its review. If the company wishes to contest the Staff's conclusions regarding depreciation, it may, by motion, apply to the Commission for a hearing.

The Examiner found that Thomas Bridge "clearly expressed its desire to use a rate which more closely tracks the expected life of the truck" and that its testimony demonstrated that "the expected life of the truck is five years." Therefore, the Examiner recommended a 20% depreciation rate for the truck.

We find that the Examiner has misapplied the rule set forth above. As she correctly notes, use of a composite depreciation rate "is not intended to accurately match each item in a company's capital account, but rather to measure the average life of all items calculated as a whole." The 3% rate presumed in the rules to be reasonable reflects the weighted average of depreciation rates for different types of plant items having widely varying useful lives. While it is undoubtedly true that a truck will not be expected to remain in service for 33 1/3 years, many other plant items will remain in service for periods greater than this.

While our rules permit a utility to request the use of a different depreciation rate, the utility is not free to request use of different rates only for plant items having comparatively shorter useful lives. Instead, the rules are intended to permit a company that believes the composite 3% figure is inaccurate to submit a comprehensive depreciation study, incorporating each category of plant in service, to determine a more accurate composite depreciation rate. It is improper for a company to "cherry-pick" only plant items with short lives for different depreciation treatment because it results in overrecovery of depreciation expense. Should it desire to use a higher accrual rate, Thomas Bridge is invited to produce and submit a comprehensive depreciation study before its next rate application.

The rate recommended for approval by the Examiner is $16 per month minimum charge (which includes the first 2,500 gallons of water) and $4.00 per 1000 gallons for usage above the minimum. This rate would produce additional annual revenues of $122,349 and a return on rate base in excess of 17%.[3] Upon review of the Report and record, we will approve a rate set at $15 per month minimum charge (including the first 2,500 gallons) and $4.00 per 1000 gallons above the minimum. These rates will generate additional annual revenues of $105,735[4] and a return of 15.55% and will

> produce sufficient revenues to pay all lawful and necessary expenses incident to:
>
> 1. The operation of the system, including maintenance costs, operating charges, and interest charges on bonds or other obligations;
>
> 2. The providing for the liquidation of bonds or other evidence of indebtedness and the attraction of capital;
>
> 3. The providing of adequate funds to be used as working capital, as well as reasonable reserves and funds for making replacements, which may be escrowed and used only as working capital if the Commission so directs as a result of a proceeding conducted pursuant to § 56-265.13:6;
>
> 4. The providing for the payment of taxes that may be assessed against the small water or sewer utility or its property; and
>
> 5. Compensation of owners of the utility for their capital or property invested in the system, if any, and for their time and other resources expended in the operation of the system not otherwise recovered under subdivisions 1 through 4 of this section.[5]

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[2]*Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to implement the Small Water or Sewer Public Utility Act*, Case No. PUE870037, 1987 SCC Ann. Rep. 291.

[3]There is an error in the attachment to the Examiner's report that caused the return to be calculated at 16.81%.

[4]See Attachment A, hereto.

[5]Code of Virginia § 56-265.13:4.

As the Examiner observed, Thomas Bridge is embarked on a construction program of unprecedented magnitude, which will result roughly in the tripling of its rate base. During such a period, based upon the record for this utility, we believe that the return on rate base incidentally produced by the application of the relevant criteria (as required by the Code section set forth above), is not excessive. Such revenues recover all expenses identified by the Examiner, including all maintenance items and the additional interest expense requirements mandated by the Rural Economic Community Development agency, which is funding the Company's water treatment plant construction, and should leave the utility with sufficient cash reserves to carry it through its construction program. We expect that upon the commercial operation of the plant, a further review of the Company's rates will be required. Accordingly, IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner, as modified herein, are hereby accepted;

(2) That consistent with the findings herein, the Company shall file revised tariffs designed to produce $105,735 in additional annual revenues;

(3) That on or before December 31, 1995, the Company shall complete the refund, with interest as directed herein, of all revenues collected from the application of its proposed rates, which became effective for service rendered on and after March 15, 1994, to the extent such revenues exceed the revenues that would have been collected by application of the permanent rates to be filed in compliance with this order;

(4) That the interest upon the refund ordered above shall be computed from the date payment of each bill was due during the period the Company's proposed tariffs were in effect and subject to refund until the date refunds are made, at 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;

(5) That the interest required to be paid shall be compounded quarterly;

(6) That 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 a check to the last known address of such customers when the refund amount is $1.00 or more. The Company may retain refunds owed to former customers when the amount of the refund is less than $1.00; however, the Company shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1.00, and in the event such former customers contact the Company and request refunds, same shall be promptly made;

(7) That on or before December 31, 1995, Thomas Bridge shall file with the Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order and itemizing all costs of the refund;

(8) That Thomas Bridge shall bear all costs of the refund;

(9) That the Commission Staff shall perform a financial audit of the Company based upon a test period following completion of the water treatment facility; and

(10) That, there being nothing further to be done herein, the case is hereby dismissed from the Commission's docket of active cases.

NOTE: A copy of Attachment A entitled "Thomas Bridge Water Corporation Rate of Return Statement for Twelve Months Ended December 31, 1993" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUE940013
JANUARY 13, 1995

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY
Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS

By order dated March 22, 1994, the Commission granted Delmarva Power & Light Company ("Delmarva" or "Company") an extension until May 9, 1994, for filing its Annual Informational Filing ("AIF") for the year 1993. By order dated April 29, 1994, the Company was granted an additional extension until May 16, 1994, for filing its AIF.

Delmarva's AIF was filed with the Commission on May 16, 1994. On August 19, 1994, the Commission Staff filed its Report, stating that Delmarva was willing to write off $149,000 of regulatory assets and fund an additional $185,000 of its Virginia jurisdictional Other Post Employment Benefits ("OPEB") transition obligation. Staff stated that such actions would reduce Delmarva's calculated return on equity to 11.30%, which is the mid-point of the Company's currently authorized range of return on equity. Staff also agreed that Delmarva's offer is an acceptable resolution to the Company's overearning position.

By letter filed November 10, 1994, Delmarva advised that upon Commission approval, the Company will write off the $149,000 of regulatory assets as described in Staff's Report and fund an additional $185,000 of its OPEB transition obligation which will reduce the Virginia jurisdictional OPEB accrual.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Delmarva'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:

(1) That Delmarva's offer is hereby accepted and approved;

(2) That Delmarva is directed to write off $149,000 of regulatory assets and fund an additional $185,000 of its Virginia jurisdictional OPEB transition obligation; and

(3) That this matter shall remain open for receipt of Delmarva's proof of compliance with paragraph (2) above.

CASE NO. PUE940014
MARCH 27, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
RACHEL CROWE, et al.,
Petitioners,
v.
THE PO RIVER WATER & SEWER COMPANY
and
INDIAN ACRES CLUB OF THORNBURG, INC.,
Defendants

DISMISSAL ORDER

By Petition for Declaratory Judgment filed with the State Corporation Commission ("Commission") on March 28, 1994, the Petitioners, Rachel Crowe et al., asked the Commission to find:

> (1) That the State Corporation Commission cannot by its own action create contractual relationships between a utility company regulated by the Commission and the utility's potential or alleged customers;
>
> (2) That the amendment to Po River's Rates, Rules and Regulations, filed January 29, 1993, pertaining to the definition of customer and the deletion of the requirement that application for services precede the provision of services does not operate to create any contractual relationship between Po River and its alleged customers where no such relationship previously existed;
>
> (3) That in the event such changes to the rules and regulations did act to create a contractual relationship between Po River and its alleged customers, such relationship was created as of March 8, 1993 and no prior relationship existed under the earlier rules and regulations . . . and that all charges prior to March 8, 1993 were collected without any legal authority and should be refunded to the lot owners; and
>
> (4) That the Commission should award to the Plaintiffs such other and further relief as the nature of their cause may require.

On April 7, 1994, we entered an Order docketing the Petition and inviting Po River Water & Sewer Company ("Po" or "Company") and Indian Acres Club of Thornburg, Inc. ("IACT") to respond to the Petitioners' Petition for Declaratory Judgment and Motion. On April 28 and May 2, 1994, Po and IACT filed responses to the Petition.

On July 22, 1994, we entered a Procedural Order which, among other things, assigned the matter to a Hearing Examiner, directed the Petitioners, Po, and IACT to file a statement of facts upon which they agreed, together with a statement of facts in dispute, and authorized the Hearing Examiner to establish such further procedures as were necessary to determine the case.

On October 5, 1994, the Examiner issued a ruling directing that any affidavits or requests for admissions, together with any statements of facts in dispute, were to be filed by the parties on or before November 23, 1994; that briefs were to be filed by the parties and Staff on or before December 20, 1994; and that oral argument would be heard on the matter on January 17, 1995.

On the appointed day, the matter came for hearing before Howard P. Anderson, Jr., Hearing Examiner. At the conclusion of argument, the Examiner entered his ruling. He found that the Commission did not have jurisdiction to adjudicate private contract rights between public service corporations and individuals and that the requests for relief raised by the Petition were issues in current, on-going litigation. Accordingly, he recommended that the Commission find these issues were more appropriately addressed to the Spotsylvania Circuit Court. He recommended that we enter an order adopting his findings and dismissing the Petition from our docket of active cases.

Po and IACT each filed Exceptions to the Hearing Examiner's Report. In its Exceptions, Po noted that if the action was dismissed, it was imperative that the Commission make clear that the decisions of the local courts as to who the customers of Po are could conflict with the Commission's decisions and impair the ability of the utility to continue providing service.

In its Exceptions, IACT urged the Commission to issue an order not only dismissing the Petition but also explaining its actions, jurisdiction, and the basis for the Commission's identification of customers and establishment of Po's rates.

NOW, upon consideration of the Petition, the record, the Hearing Examiner's Report, and the exceptions hereto, we are of the opinion and find that the captioned Petition should be dismissed.

As a certificated water and sewer public utility with gross annual operating revenues of less than $1 million, Po is subject to the Small Water or Sewer Public Utility Act ("the Act"), Virginia Code §§ 56-265.13:1 et seq. On January 20, 1993, pursuant to the Act and the provisions of our Rules Implementing the Small Water or Sewer Public Utility Act ("Rules"), Po gave notice in Case No. PUE920039 of its intent to amend its rules and regulations of service to redefine "customer" as "each owner of a lot in the subdivision served by the Company;" to delete the provision requiring that customers submit applications for service; and to eliminate provisions requiring the discontinuance of service for nonpayment.

In our January 10, 1994 Final Order entered in that case, we found that no hearing was necessary concerning the January 20 rule amendments since none of the circumstances requiring a hearing under Section 7 of the Rules had occurred. We concluded that pursuant to Section 5 of the Rules, the proposed revisions to Po's rules and regulations had become effective 45 days after notice on March 8, 1993. Commonwealth of Virginia, ex rel. State Corporation Commission v. Po River Water & Sewer Company, Case No. PUE920039, Final Order, Jan. 10, 1994, at p. 9.

The definition of "customer" found in Po's current rules and regulations serves regulatory functions which assist us in the exercise of our regulatory duties, which include identification of persons to whom the obligation of service runs and to whom the rules and regulations of service apply. The Commission has broad authority, and its exercise sometimes requires Commission decisions as to the identity of the utility's customers. Po's Rules and Regulations of service do not, however, require a person to become a customer. It was not our intent, in permitting the change of definition of "customer" to take effect on March 8, 1993, either to create customer relationships for Po that did not already exist, or to relieve any person who was Po's customer from any obligation to pay Po's bills.

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 the 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 its 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,[1] 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.

Accordingly, IT IS ORDERED that this matter is hereby dismissed, and the papers filed herein be made a part of the Commission's file for ended causes.

[1]See, C&P Tel. Co. v. Bles, 218 Va. 1010, 1012-13 (1978).

CASE NO. PUE940016
FEBRUARY 15, 1995

APPLICATION OF
RESTON/LAKE ANNE AIR CONDITIONING CORPORATION

To Revise its Tariffs

FINAL ORDER

On March 29, 1994, Reston/Lake Anne Air Conditioning Corporation ("RELAC" or "Company") filed an application requesting a proposed increase in annual revenues of $29,491. The application reflected a nine percent increase in all categories of Company's rates. By Order dated May 5, 1994, the Commission set the matter for hearing and assigned a Hearing Examiner to conduct all further proceedings.

The matter was heard on September 23, 1994. Appearing at the hearing were the Company, the Commission Staff ("Staff") and a protestant, the Board of Supervisors of Fairfax County ("Fairfax").

On December 19, 1994, the Examiner issued his Final Report, in which he made the following findings:

1. The use of a test year ending December 31, 1993, is proper for this proceeding;

2. The Staff's accounting adjustments, as modified [in the Report], are just and reasonable and should be accepted;

3. The Company's operating revenues, after all adjustments, were $325,363;

4. The Company's total operating expenses, after all adjustments, were $333,004;

5. The Company's net income, after all adjustments, was ($8,569);

6. The Company's current rates produced a return on adjusted end of test period rate base of (15.13%);

7. The Company's overall adjusted end of test period rate base is $50,516;

8. The Company requires additional gross annual revenues of $12,040 to earn a return on rate base of 8.20%;

9. 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 [in his Report];

10. A meter connection fee of $142.00 should be approved pending adoption of appropriate tariff language. The Company should be directed to incorporate appropriate language in its tariff to support the meter connection fee. Any revenue previously collected in excess of the capitalized cost should be recorded in an escrow account and be used for capital improvements;

11. The Company's request for a $20.00 bad check charge is sufficiently substantiated and therefore should be accepted;

12. The Company should be directed to file with the Commission for approval of unapproved affiliate arrangements;

13. A minimum charge of $27.00 usage during each billing period for metered customers should be implemented. This minimum charge should be credited against actual usage. The resulting additional revenues should be subtracted from the recommended revenue increase of $12,040 before calculating the percentage increase to be applied to rates; and

14. The Company should conduct a cost/benefit analysis on metering all of its customers and submit the analysis to Commission Staff prior to its next rate application.

Based upon the foregoing findings, the Examiner recommended that the Commission grant the Company an increase in gross annual revenues of $12,040. The portion of the increase to be recovered from the usage portion of rates, as mentioned in Finding No. 13, results in a 3.25% increase to all categories of the Company's rates.

On January 4, 1995, RELAC filed its "Request for Clarification of Hearing Examiner's Final Report, or, in the Alternative, Comments on the Final Report." The Commission will treat this pleading as comments on the Examiner's Report, pursuant to Rule 5:16(e) of its Rules of Practice and Procedure. RELAC requested clarification that its proposed restructure of its payment schedule, which had not been opposed by any participant in the case, had been approved. The Examiner's Report was silent on this matter.

On January 6, 1995, Fairfax County filed its "Motion for Leave to File Comments to Final Report of the Hearing Examiner," and tendered a copy of the proposed comments. We granted Fairfax's motion by Order dated January 9, 1995. Fairfax requested that the minimum charge be set within a $10-15 range, instead of the $27 level recommended by the Examiner.

NOW THE COMMISSION, having considered the Final Report of the Hearing Examiner, the comments thereto, the pleadings of record, and the applicable statutes and rules is of the opinion and finds that the recommendations of the Hearing Examiner are supported by the record and should be adopted. The Company's proposed restructure of its payment schedule is reasonable and is hereby approved. The minimum charge recommended by the Examiner is supported by the record and is approved. We are not persuaded by Fairfax's comments to reduce the minimum charge based on a comparison of the minimum bills of other utilities. RELAC's provision of air conditioning service is unique within the Commonwealth and its cost of service cannot be ascertained by comparison to other utilities. Additionally, two recommendations of the Staff that were unopposed by any party, that the Company implement certain accounting procedures regarding contributions in aid of construction and that it supply certain data regarding its depreciation rate, will also be adopted. Accordingly,

IT IS ORDERED:

(1) That the Examiner's findings referenced above be, and hereby are, approved;

(2) That RELAC shall be granted an increase in gross annual revenues of $12,040;

(3) That, on or before May 1, 1995, RELAC shall complete its refund, with interest as directed below, of all revenues collected under the interim rates implemented on August 1, 1994, to the extent such revenues exceed the revenues that would have been collected by application of the rates found just and reasonable herein;

(4) That interest upon the refund ordered above shall be computed from the date payment of each bill was due during the period the Company's proposed tariffs were in effect and subject to refund until the date refunds are made, at the average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one hundredth of one percent of the prime rate value published in the Federal Reserve Bulletin, or in the Federal Reserve's "Selected Interest Rate" (Statistical Release G.13), for the three months of the preceding calendar quarter;

(5) That the interest required to be paid shall be compounded quarterly;

(6) That the refunds ordered in Paragraph (3) above shall be made by check to the appropriate address for all current and former customers;

(7) That on or before June 1, 1995, RELAC shall file with the Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this order and itemizing the costs of the refund. The itemization of these costs shall include, inter alia, where applicable, computer costs, manhours, associated salaries, costs for verifying and correcting the refund methodology, and the costs associated with developing the computer programs necessary to make such refunds;

(8) That the Company shall bear all costs of the refunds;

(9) That on or before April 1, 1995, the Company shall file updated tariff sheets reflecting its new rates, charges and tariff language;

(10) That the Company shall implement accounting procedures for contributions in aid of construction as recommended by the Staff in its testimony herein;

(11) That on or before September 1, 1995, the Company shall file information and data in support of its depreciation rates with the Commission's Division of Energy Regulation; and

(12) That there being nothing further to come before the Commission, the papers herein be transferred to the file for ended causes.

CASE NO. PUE940031
SEPTEMBER 28, 1995

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY, VIRGINIA DIVISION

For a general increase in its rates and to revise its tariffs

FINAL ORDER

Washington Gas Light Company ("WGL" or "Company") filed its application for a general rate increase on April 29, 1994, seeking $15,697,000 in additional gross annual revenues.[1] The application also proposed new or revised fees for a variety of services and a revision to the Company's purchased gas adjustment ("PGA") clause to allow WGL to recover its carrying costs on prepaid gas through the PGA rather than in base rates. By order dated June 6, 1994, we consolidated WGL's rate case with its application to revise and extend its natural gas vehicle service rate schedule.

The case was heard by Senior Hearing Examiner Glenn P. Richardson on November 2-3, 1994. The Examiner issued his Report on May 26, 1995. Exceptions and comments were filed by the Company, several protestants and interveners, including the Attorney General ("AG"), the Apartment and Office Building Association of Metropolitan Washington ("AOBA"), Mobil Oil Company ("Mobil"), the Virginia Petroleum Council ("VPC"), and the Fairfax County Board of Supervisors ("Fairfax").

The Examiner recommended that the Commission grant WGL $6,874,074 in additional gross revenues, and authorize it to earn an 11.5% return on its equity, representing the midpoint of an 11.0 - 12.0% range. His Report notes the unusual circumstance that WGL's "class cost of service study and proposed revenue allocation methodology were not challenged by any party or the Commission's Staff. This unexpected turn of events eliminated at least one area of ratemaking which had traditionally generated a great deal of controversy in past general rate cases."

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 modified herein, are reasonable and should be adopted. The Commission will expand upon the Examiner's discussion and recommendations in four areas.

The Examiner recommends the Commission continue to employ the method for weather normalization of revenues that has been used in past Company cases. The AG took exception to the use of this regression analysis, which relies upon 123 years of heating degree day ("HDD") observations by the National Weather Service. In the AG's view, a "moving average" of HDDs, using either a 10, 20, or 30 year average, formed a superior predictor of "normal" weather.

The Commission concurs with the Examiner and finds that his extensive analysis and comparison of the two methodologies demonstrates that the AG's proposed methodology is no more accurate than the regression analysis customarily employed by the Company and the Commission's Staff. Methodologies that produce equally accurate long run results may produce different short run results. In such a case, it is best to adhere to one methodology rather than vacillate among several. In the long run this should lead to more reliable results than frequent changes between different, but accurate, methodologies.

The Examiner rejected contentions by two parties, AOBA and Fairfax, that expenses associated with two WGL incentive compensation plans should be eliminated. The Commission concurs with the Examiner that there are sound reasons for permitting recovery of these expenses in cost of service. First, Fairfax is incorrect in asserting that management incentives advance only shareholder interests. Ratepayers also benefit from improvements in management that restrain costs without affecting the quality or reliability of service. While there is some truth to AOBA's contention that attainment of the various targets necessary to trigger the payment of the incentives can not be guaranteed, nevertheless, the Commission believes that it is sound management to tie at least a portion of compensation to the attainment of objective performance standards, as opposed to awarding blanket salary increases, which may be perfectly "known and certain," without regard to the success or lack thereof of the management of the company. Where the total possible compensation is reasonable, making a portion of that compensation subject to a well-designed incentive program is not "speculative," as that term is employed in Va. Code § 56-235.2.

However, where the total possible compensation is unreasonable, has not been funded, or where the incentive portion of the compensation can be "earned" through attainment of unreasonably low or easy performance "targets," the Commission will eliminate such unreasonable expenses from cost of service. None of those circumstances are present in this instance and so the expenses are properly recoverable in cost of service.

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[1] By the time of the hearing, the Company's request had been reduced to approximately $13.31 million.

In this proceeding, the Commission Staff proposed that the Commission disallow, in total, recovery of the expense of corporate charitable contributions from cost of service. The ratemaking treatment of this particular expense item has long been questioned.[2] For many years, the Commission has permitted full recovery of such contributions in cost of service. The Commission continues to believe that utilities should be permitted and encouraged to make a reasonable level of charitable donations. In addition, as Judge Hooker observed more than 40 years ago, a utility's support of worthy causes engenders "the good will of the community" served by the utility.[3]

The Commission is, however, no longer convinced that the entire fiscal responsibility for such contributions should be borne by the utility's ratepayers. Shareholders should be allowed to fund half the contributions, since the primary benefits of such donations go to them and since they can and should influence the scope and recipients of their corporate giving. Henceforth, the Commission will permit recovery of one-half the amount of corporate charitable contributions in cost of service.

The Commission concurs with the Examiner's recommendation to eliminate from cost of service expenses relating to natural gas vehicles. The Commission's Final Order in Case No. PUE910052 required the Company and Staff to "forthwith develop a risk sharing mechanism similar to the Company's margin sharing mechanism for interruptible sales service, which shall be included as part of any future rate application in which the Company seeks recovery of natural gas vehicle related costs[.]"[4] The Company and Staff have not developed the mechanism. Recovery is denied.

Finally, the Commission adopts each of the Examiner's recommendations with regard to the remaining accounting issues.

The Commission adopts the Examiner's recommendations regarding the Company's cost of short-term and long-term debt and capital structure and cost of equity.

As indicated in the introductory portion of this Order, no party challenged the proposed revenue allocation. The Commission finds the allocation reasonable and adopts the Examiner's recommendation. Likewise, the Commission finds the Examiner's recommendations regarding rate design issues reasonable and adopts each of the recommendations set out at pages 55-67 of the Report.

In conclusion, the Commission finds that:

(1) Use of a test period ending December 31, 1993, is proper for this proceeding;

(2) The Company's test year operating revenues, after all adjustments, were $247,800,752;

(3) The Company's test year operating revenue deductions, after all adjustments, were $219,874,851;

(4) The Company's test year net operating income and adjusted operating income, after all adjustments, were $27,925,900 and $27,695,739, respectively;

(5) The Company's current rates produced a return on adjusted rate base of 8.41% and a return on equity of 8.98%;

(6) The Company's current cost of equity is within a range of 11.0 - 12.0%, and the Company's rates should be established based on the 11.5% midpoint of the equity range;

(7) The Company's overall cost of capital, using the midpoint of the equity range found appropriate, is 9.715%;

(8) The Company's adjusted test year rate base is $329,177,144;

(9) The Company's application, as amended, requesting $13,308,365 in additional gross annual revenues is unjust and unreasonable because it will generate a return on rate base greater than 9.715%;

(10) The Company requires $6,774,095 in additional gross annual revenues to earn a 9.715% return on rate base;

(11) The Company's rate design and terms and conditions of service should be modified in accordance with the recommendation contained in the Senior Hearing Examiner's Report;

(12) The Company should file permanent rates designed to produce the additional revenues found reasonable herein using the revenue apportionment methodology proposed by the Company in its application; and

(13) The Company should be required to refund promptly, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable herein.

Accordingly, IT IS ORDERED:

(1) That WGL's application for a general increase in rates be granted to the extent discussed herein and denied otherwise;

(2) That, on or before October 15, 1995, WGL 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 September 27, 1994;

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[2] See, e.g., *Howell v. Chesapeake & Potomac Telephone Company of Virginia, et al.*, 215 Va. 549 (1975); *Board of Supervisors v. Virginia Electric and Power Company*, 196 Va. 1102 (1955).

[3] *Application of Virginia Electric and Power Company*, Case No. 11788, 1954 S.C.C. Ann. Rep. 57, 64.

[4] *Application of Northern Virginia Natural Gas, a Division of Washington Gas Light Company*, 1992 S.C.C. Ann. Rep. 299, 300.

(3) That, on or before, January 1, 1996, WGL 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 September 27, 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;

(4) That interest upon such refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates, for the three months of the preceding calendar quarter;

(5) That the interest required to be paid shall be compounded quarterly;

(6) That the refunds ordered in paragraph (3) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1.00 or more. WGL 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. WGL may retain refunds owed to former customers when such refund is less than $1.00; however, WGL shall prepare and maintain a list detailing each of the former accounts for which refunds are retained and in the event such former customers request refunds, same shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(7) That on or before February 1, 1996, WGL 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;

(8) That WGL shall bear all costs of the refunds directed herein;

(9) That WGL shall write off the accumulated deferred tax associated with its allowance for funds used during construction ("AFUDC");

(10) That WGL forthwith begin capitalizing property taxes associated with construction work in progress as proposed in Ex. KPB-26;

(11) That WGL shall develop a banking and balancing service for its interruptible delivery service as part of its next rate case;

(12) That WGL shall file a revised line extension policy, using the life cycle approach supported by Staff witness Lacy, no later than 180 days after the entry of this Order; and

(13) That, there being nothing further to come before the Commission, this matter shall be removed from the docket and the papers placed in the file for ended causes.

CASE NO. PUE940038
FEBRUARY 6, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
ECOPOWER INCORPORATED
v.
VIRGINIA ELECTRIC AND POWER COMPANY

FINAL ORDER

On June 9, 1994, Ecopower Incorporated ("Ecopower") filed a Petition, a formal complaint alleging that Virginia Electric and Power Company ("Virginia Power") had violated obligations imposed upon it by the Commission's Final Order in Case No. PUE920060.[1] Ecopower requested entry of an order directing Virginia Power to execute contracts for the purchase, pursuant to PURPA,[2] of up to 16 MW of capacity from Ecopower at rates established in Case No. PUE920060.

The Commission assigned this matter to a Hearing Examiner by order dated July 11, 1994, and directed the Hearing Examiner to conduct all further proceedings. The parties filed a Stipulation of Facts on November 1, 1994, and the matter was heard on November 8, 1994. Briefs addressing issues of law were filed by the parties on November 30, 1994.

On January 6, 1995, the Hearing Examiner issued his Report, finding that no legally enforceable obligation, as that term is defined under PURPA, existed between Ecopower and Virginia Power on or before October 30, 1992, that Ecopower was not therefore entitled to Schedule 19 contracts under the "grandfather clause" of the Final Order in Case No. PUE920060 and that Ecopower's petition should be denied.

Ecopower filed exceptions to the Examiner's Report on January 20, 1995. Virginia Power filed a comment urging the Commission to adopt the Examiner's recommendations.

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[1] *Application of Virginia Electric and Power Company for review of Schedule 19 1992/1993 charges and payments to cogenerators and small power producers*, Final Order (February 17, 1993). This order, at page 19, directed Virginia Power to "offer to purchase power from developers which submitted offers to the Company on or before October 30, 1992, but which do not have executed contracts[.]"

[2] Public Utilities Regulatory Policies Act of 1978, 16 U.S.C. § 824a-3.

NOW THE COMMISSION, having considered the Examiner's Report and all pleadings filed by the parties to the proceeding, is of the opinion and finds that the recommendation of the Examiner that the petition of Ecopower be denied should be adopted. Ecopower has failed to show that it is entitled to the relief that it seeks. Accordingly, IT IS ORDERED:

(1) That the petition of Ecopower is denied; and

(2) That there being nothing further to come before the Commission the papers be transferred to the file for ended causes.

CASE NO. PUE940039
SEPTEMBER 28, 1995

APPLICATION OF
ROANOKE GAS COMPANY

For a general increase in its rates and to revise its tariffs

FINAL ORDER

On June 15, 1994, Roanoke Gas Company ("Roanoke" or "Company") filed its application for a general increase in its gas rates designed to produce additional annual revenues of $1,281,448. It implemented interim rates on November 13, 1994. The case was heard before Hearing Examiner Deborah V. Ellenberg on January 30, 1995. The Examiner filed her Report on August 7, 1995. Roanoke filed a letter on August 18, 1995, indicating it would not file comments or exceptions to the Examiner's Report.

The Examiner's Report discusses and makes recommendations on only three controverted issues: charitable contributions, advertising expenses, and post-test period additions to plant for investment in a liquefied natural gas facility. The Examiner finds for the Company with regard to its charitable contributions and for the Staff on the other issues.

NOW THE COMMISSION, having considered the record and the Examiner's Report, as well as the applicable statutes and rules, is of the opinion that the findings and recommendations of the Examiner, as modified herein, are reasonable and should be adopted. The Commission will expand upon the Examiner's discussion and recommendations in only one area.

The Staff proposed that the Company no longer be allowed to recover its charitable contributions in cost of service. We believe it is time to review the recovery of charitable contributions entirely from ratepayers and we thank the Staff for its thoughtful presentation, which has led us to conclude, for the reasons set out in our decision issued today in Application of Washington Gas Light Company, Case No. PUE940031, that utility ratepayers and shareholders should make equal contributions to charitable organizations. Accordingly, we will permit the recovery of one-half the charitable donations' expense in cost of service.

In conclusion, the Commission finds that:

(1) Use of a test year ending March, 31, 1994, is proper for this proceeding;

(2) Roanoke's test year operating revenues, after adjustments, were $53,709,369;

(3) Roanoke's test year operating deductions, after adjustments, were $50,743,619;

(4) Roanoke's test year net operating income and adjusted operating income, after all adjustments, were $2,965,750 and $2,867,998, respectively;

(5) Roanoke's adjusted test period rate base, updated to September 30,1994, is $32,051,371;

(6) Roanoke's cost of equity is within a range of 11.2% to 12.2%, and rates should be established at the midpoint of that range, 11.7%;

(7) The Company's overall cost of capital is 10.256%;

(8) Roanoke's proposed rates are not just and reasonable because they will generate a return on rate base greater than 10.256%;

(9) The Company requires an increase in gross annual revenues of $655,347 to earn a 10.256% return on rate base;

(10) The Company should file permanent rates designed to produce the additional revenues found reasonable herein, and to implement its revised proposal for its industrial firm sales service rate;

(11) The Company should refund, with interest, all revenues collected from its interim rates in excess of the amount found just and reasonable herein;

(12) The Company should adopt the Staff's booking recommendations; and

(13) Roanoke should file cost of service studies in its next case using the imputed peak day, coincident and non-coincident peak day methods of main allocation.

Accordingly, IT IS ORDERED:

(1) That Roanoke's application for a general increase in rates be granted to the extent discussed herein and denied otherwise;

(2) That, on or before October 15, 1995, Roanoke 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 November 13, 1994;

(3) That, on or before, January 1, 1996, Roanoke shall refund, with interest, all revenues collected from the application of its proposed rates which became effective, on an interim basis, for service rendered on and after November 13, 1994, to the extent that such revenues exceeded, on an annual basis, the revenues which would have been produced by the permanent rates approved herein;

(4) That interest upon such refunds shall be computed from the date payment of each monthly bill was due during the period the Company's proposed rates were in effect until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's "Selected Interest Rates," for the three months of the preceding calendar quarter;

(5) That the interest required to be paid shall be compounded quarterly;

(6) That the refunds ordered in paragraph (3) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1.00 or more. Roanoke 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. Roanoke may retain refunds owed to former customers when such refund is less than $1.00; however, Roanoke shall prepare and maintain a list detailing each of the former accounts for which refunds are retained and in the event such former customers request refunds, same shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(7) That on or before February 1, 1996, Roanoke 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;

(8) That Roanoke shall bear all costs of the refunds directed herein;

(9) That the Company shall true-up the write-off of its rate case expenses for Case No. PUE930016. Amortization of costs associated with this case shall cease on August 30, 1996;

(10) That the Company shall record the cumulative adjustment to excess protected ADFIT, and that the Company begin implementation of the flowback of excess protected ADFIT using the average rate assumption method, effective October 1, 1994;

(11) That Roanoke begin capitalizing property taxes associated with Construction Work in Progress, beginning at the effective date of rates in this case, i.e., November 13, 1994;

(12) That the Company amortize negotiation costs incurred in connection with union workers as of September, 1994, beginning with the effective date of rates in this case;

(13) That at the beginning of the rate year, Roanoke shall capitalize the applicable portion of its excess and general liability insurance incurred for coverage during a period of construction, as recommended in Ex. TMT-15, at 23;

(14) That the Company prospectively include advisory fees for Stone & Webster in Account 923, Outside Services Employed;

(15) That the Company shall continue in future rate cases to file several cost of service studies to support its rates. These studies should include studies which utilize the coincident and non-coincident peak day methods of main allocation; and

(16) That, there being nothing further to come before the Commission, this matter shall be removed from the docket and the papers placed in the file for ended causes.

CASE NO. PUE940041
JANUARY 27, 1995

APPLICATION OF
APPALACHIAN POWER COMPANY

For Approval of an Experimental Demand-Side Management Program

ORDER APPROVING EXPERIMENTAL PROGRAM

On June 15, 1994, Appalachian Power Company ("Appalachian" or "Company") filed an application with the State Corporation Commission for approval to conduct its Home Energy Fitness program ("HEF program"), a demand-side management ("DSM") pilot program. The Company proposes to offer the HEF program for a two year period with the option to continue it as part of a long-range plan. During Phase I of the program, comprising the first 12 months, the Company is proposing to offer the program to a total of 2,140 residential customers in the Company's Roanoke Division who own and

occupy their own homes. If at the end of Phase I, the Company determines that the program is operating satisfactorily, the Company will offer the program for an additional 12 months as Phase II, targeting 2,745 additional participants in the Company's Roanoke Division.

On July 18, 1994, the Commission entered a procedural order in this docket, providing for publication of notice of the application and establishing a period for the receipt of public comments or requests for hearing. The Commission received comments from three parties in this proceeding.

On August 24, 1994, the Henry County Board of Supervisors requested a public hearing on Appalachian's HEF program application. Henry County expressed its concerns regarding, among other things, the distribution of cost savings as a result of this program, the size of any rate hike to recover program costs and lost revenue, and the potential economic impact on Appalachian Power's customer base. On October 7, 1994, Henry County withdrew its request for a public hearing in this proceeding.

On September 6, 1994, Dr. Richard F. Hirsh wrote to the Commission in support of the Company's application. In his letter, he suggested that the Company involve knowledgeable customers in its evaluation of the data it gathers from the program and recommended that the Commission allow full recovery of the program expenses.

On September 19, 1994, the Southern Environmental Law Center ("SELC") filed its comments in support of the pilot program, subject to certain revisions which it believed necessary to ensure the proper installation of the DSM measures covered by the program. Specifically, SELC recommended that: (i) the pilot program should be limited to one year; (ii) the program should include a certification process for HVAC contractors wishing to participate in the program, which would include training on blower doors and proper methods of sealing ducts and air leaks; (iii) the program protocol should specify that mastic is to be used to seal ducts; (iv) the Company should conduct blower door tests on the first five homes of each HVAC contractor participating in the program to ensure quality installation, with immediate feedback to the contractor; (v) the infiltration control measures should focus more on large sources of air leakage and should not be limited to the less important sources of leakage addressed by weatherstripping and caulking; and (vi) compact fluorescent bulbs should be installed in all fixtures where such installation is economically justified, rather than limit each household to one bulb.

On October 12, 1994, the Commission Staff filed its Report addressing the proposed program. In its Report, the Staff noted that development of pilot programs prior to the full scale implementation of DSM programs was necessary to gather specific program data and operating experience needed to design successful, permanent DSM programs for Virginia. However, while the Staff recommended approval of the Home Energy Fitness program, it noted that the program did not need to be as large as proposed in order to collect the data needed to evaluate the feasibility of a full scale program. The Staff also suggested that the Commission might wish to consider requiring participants in the HEF program to pay a portion of the costs to install the DSM measures contemplated by the program. It recommended that the Company use the most recently approved overall cost of capital in its future cost/benefit analyses of the HEF program, and that cost/benefit analyses of individual DSM measures within the program be conducted to the extent practicable.

On January 9, 1995, Appalachian filed comments on the Staff's Report. The Company stated that the HEF program would be an integral part of its future conservation-focused DSM activities and that advancement of the program at the requested levels would help it establish a stronger conservation base in Virginia.

Appalachian also urged the Commission not to require participants in the program to pay part of the program costs. The Company asserted, based on its prior experience, that participation in the program would be relatively low if participants are required to pay any of the costs associated with the program. The Company stated that such a change would result in the program failing the Ratepayer Impact Measure ("RIM") test.

Further, Appalachian agreed with Staff's suggestion that it use the most recently approved cost of capital in its future cost/benefit analysis, but did not believe that it was practical or feasible to perform a separate cost/benefit analysis for the individual measures included in the HEF program. The Company asserted that such studies would be difficult to perform because of the interaction that takes place among measures and because the precise costs associated with an individual measure would not be known for a multi-measure program.

The Commission, having considered the application, the Report of its Staff, the pleadings filed herein, the Comments and the applicable rules and statutes, finds that a pilot program, modified as provided herein, should be approved. The Commission finds that it is in the public interest for Appalachian to utilize the pilot program described in its application, as modified herein, in order to gather data to enable the Company and the Commission to determine whether the program is feasible and should be implemented on a permanent basis.

We established a broad policy framework for the development of DSM programs in Case No. PUE900070. The March 27, 1992 Final Order in that case affirmed our support for cost effective demand-side management programs as essential components of balanced resource portfolios.

A number of electric and natural gas utilities have filed for approval of DSM programs since the March 1992 and June 1993 Orders were issued in Case No. PUE900070. We are encouraged by the variety of DSM programs filed by utilities in response to the policy changes initiated in that docket. We are concerned, however, that some utilities may be pursuing programs that are designed mainly to increase sales. Such programs may not be in the public interest, which includes consideration of impacts on the ratepayer, the environment and other factors. We are also concerned that certain DSM programs may be used inappropriately because of increasing competition between the electric and natural gas industries. Competitive pressures to lower rates, in general, may result in an overemphasis on load factor improvement programs, which often increase sales. It is prudent, therefore, to limit proposed DSM programs to a scale that is appropriate for their pilot status and to review our regulatory policy regarding such programs in light of changes in the electric and natural gas industries.

Recent proposals for experimental programs have also raised some familiar, but nonetheless exceedingly difficult, equity issues. The participants in DSM programs will typically benefit from such programs, as often will the utility. Customers who do not participate, however, may end up with slightly higher rates. In most cases, non-participants may receive rate benefits only when the program results in increased total sales. Appalachian's proposed HEF program is an example of this. The ratepayer impact measure test indicates an estimated benefit/cost ratio of .75 in this case, which means that non-participants in the HEF program will not benefit from the program and may experience an increase in their rates. While the impact on rates is but one measure of cost effectiveness, it is a measure that raises concerns regarding fairness. Higher rates for low income customers who may be unlikely to participate in such programs are a particular concern. The effects of DSM programs on rates and the relationship between changes in sales and rate levels to individual customer classes are issues that must be resolved if demand-side management programs are to be successful in Virginia.

As a result of these concerns, we will approve the Company's proposed program, but limit the number of participants in the program to 1,000 in Phase I. We will authorize the Company to offer the program to an additional 1,000 participants in Phase II, if the program operates satisfactorily. These limits represent significant reductions from the proposed participation levels of 2,140 customers in Phase I and 2,745 customers in Phase II. The Commission also accepts Staff's recommendation that the Company use the most recently approved cost of capital in its future benefit/cost analyses of this program. Benefit/cost analysis on individual measures within the HEF program should also be conducted to the extent that such analysis is practicable.

Further, we believe that SELC has made a number of reasonable recommendations for ways to improve the HEF program. Several of SELC's recommendations are meant to assure that DSM measures are properly installed. We believe that the Company should take the steps necessary to assure proper quality control for the HEF program. Appalachian should develop a certification process for HVAC contractors and conduct its own blower door tests as a check of the work performed by the HVAC contractor(s) participating in the program. While we will not direct Appalachian to implement any of SELC's other specific recommendations, we will direct the Company to consider them. Appalachian should explain in its first status report to the Commission on the program why each of SELC's recommendations was or was not employed.

Finally, although we are approving the modified program on an experimental basis, we make no findings concerning the reasonableness or recovery of their associated costs. Recovery of these costs is more properly the subject of a subsequent proceeding in which the Company may offer evidence identifying and supporting its program expenditures.

Accordingly, IT IS ORDERED:

(1) That the pilot program proposed by Appalachian shall be approved, as modified herein, for a period of two years from the date of this order;

(2) That the Company shall file a status report with the Commission's Division of Economics and Finance, every six months during the term of the pilot program, which, at a minimum, should address the number of customers participating in the program, program expenditures, and any difficulties experienced by the Company in implementing the program. In addition, the first status report shall address why each of SELC's recommendations concerning the HEF program was or was not employed by the Company;

(3) That the Company shall file a final report on and analysis of the pilot program with the Clerk of the Commission during the twelve months following the end of Phase I of the pilot program, but in no event later than February 28, 1997; and

(4) That this matter be continued until further order of the Commission.

CASE NO. PUE940042
JANUARY 27, 1995

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For approval of pilot programs to promote the installation of certain high efficiency gas appliances

ORDER AUTHORIZING PILOT PROGRAMS

On June 16, 1994, Commonwealth Gas Services, Inc. ("CGS" or "Company") filed an application for approval of pilot demand- side management ("DSM") programs to promote the installation of certain high efficiency natural gas equipment. Under the proposed programs, CGS would provide one-time rebates as an incentive to encourage residential and commercial customers to purchase high efficiency natural gas equipment in its Northern and Southern Regions. The proposed natural gas DSM programs consist of the promotion of three types of high efficiency natural gas equipment for both residential and commercial customers. These three types of equipment are: (1) a natural gas furnace with an annual fuel utilization efficiency greater than or equal to 90%; (2) the York Triathlon Natural Gas Heating and Cooling System ("York Triathlon System"); and (3) a natural gas water heater with an energy factor rating greater than or equal to 56%. The Company anticipates that 1,000 high efficiency natural gas units (including all three types of equipment) will be installed during the two year pilot period.

The Company's proposal to implement its pilot programs was conditioned upon this Commission's granting of an acceptable cost recovery methodology. Specifically, CGS requested permission to defer the direct costs associated with the programs, thus delaying recovery of the costs until the Company's next general rate case.

On August 22, 1994, the Commission entered a procedural order in this docket, providing for publication of notice of the contents of the application and establishing a period for the receipt of public comments or requests for hearing. On October 11, 1994, Virginia Electric and Power Company ("Virginia Power") filed its comments. In its comments, Virginia Power stated that it did not oppose the implementation of the pilot programs set forth in CGS's application. Virginia Power indicated, however, that it was very interested in the evaluation of the programs and expected to review CGS's semi-annual reports on the programs.

On October 25, 1994, the Commission Staff filed its Report addressing the proposed programs. In its Report, the Staff noted that the development of pilot programs is necessary to gather the specific program data and operating experience needed to design successful permanent DSM programs in Virginia. The Staff, however, identified two major concerns with the Company's proposal.

First, Staff indicated that the proposed residential water heater program was not likely to be cost effective. The Staff stated that the program is not economically justified based on preliminary benefit/cost estimates. Staff noted that costs greatly exceed benefits as measured by the utility cost test, the ratepayer impact measure test, and the total resource cost test. In addition, Staff noted that the residential water heater to be promoted offers very little improvement in energy conservation since the proposed minimum efficiency standard is only two percentage points higher than the current baseline code.

Second, Staff expressed its concern regarding the Company's proposal to defer accounting treatment of direct program costs. Without a proven ratemaking need, Staff is reluctant to recommend any specific deferred accounting treatment regarding the direct program costs. Staff recommended that the Company track all expenditures related to these pilot programs and proposed that these expenditures and any CGS proposals regarding such expenditures be reviewed in the Company's next rate case.

The Commission, having considered the application, the Report of its Staff, the pleadings filed herein, the comments and the applicable rules and statutes, finds that the pilot programs modified as provided herein should be approved. The Commission finds that it is in the public interest for CGS to utilize the pilot programs described in its application, as modified herein, in order to gather data to enable the Company and the Commission to determine whether the programs are feasible and should be implemented on a permanent basis.

We established a broad policy framework for the development of DSM programs in Case No. PUE900070. The March 27, 1992, Final Order in that case affirmed our support for cost effective DSM programs as essential components of balanced resource portfolios.

A number of electric and natural gas utilities have filed for approval of DSM programs since the March 1992 and June 1993 Orders were issued in Case No. PUE900070. We are encouraged by the variety of DSM programs filed by utilities in response to the policy changes initiated in that docket. We are concerned, however, that some utilities may be pursuing programs that are designed mainly to increase sales. Such programs may not be in the public interest, which includes consideration of impacts on the ratepayer, the environment and other factors. We are also concerned that certain DSM programs may be used inappropriately because of increasing competition between the electric and natural gas industries. Competitive pressures to lower rates, in general, may result in an overemphasis on load factor improvement programs, which often increase sales. It is prudent, therefore, to limit proposed DSM programs to a scale that is appropriate for their pilot status and to review our regulatory policy regarding such programs in light of changes in the electric and natural gas industries.

Recent proposals for experimental programs have also raised some familiar, but nonetheless exceedingly difficult, equity issues. The participants in DSM programs will typically benefit from such programs, as often will the utility. Customers who do not participate, however, may end up with slightly higher rates. In most cases, non-participants may receive rate benefits only when the program results in increased total sales. With the exception of the promotion of the York Triathlon System to commercial customers, CGS's proposed programs have preliminary benefit/cost test results that indicate higher rates for non-participants in the programs. While the impact on rates is but one measure of cost effectiveness, it is a measure that raises concerns regarding fairness. Higher rates for low income customers who may be unlikely to participate in such programs are a particular concern. The effects of DSM programs on rates and the relationship between changes in sales and rate levels to individual customer classes are issues that must be resolved if DSM programs are to be successful in Virginia.

The Company's application raises additional concerns regarding the cost effectiveness of its proposal. As noted by Staff, the benefit/cost ratios for the water heater program in the residential sector, as measured by the ratepayer impact measure test, the total resource cost test, and the utility cost test, are exceptionally low. Each of these three tests show preliminary benefit/cost ratios well below .20.[1] On the other hand, the benefit/cost ratio, as measured by the participant test, is 1.89. Based on these preliminary benefit/cost results, we doubt that this program will be cost effective except to program participants. We will approve the program, however, subject to one change. In order to improve the possibility of this program being cost effective to the utility and non-participating ratepayers, we are reducing the size of the rebate authorized from $100 to $50. The lower rebate will apply to commercial participants as well as residential participants in the program.

In order to assure a good mix of both residential and commercial customers in the pilot programs, we will also place limits on the number of participants from each customer class. The natural gas furnace program will be approved for up to 725 total customers, of which no more than 650 may be residential customers and no more than 100 may be commercial customers. The natural gas water heater program will be approved for up to 200 customers, of which no more than 180 may be residential and no more than 30 may be commercial. The York Triathlon System program will be approved for up to 75 customers, of which no more than 50 may be from the same customer class.

Finally, we deny CGS's request for permission to defer the direct costs associated with the proposed pilot DSM programs. The Commission adopts Staff's recommendation that the expenditures related to these programs be tracked and the proper ratemaking treatment of such expenditures be determined in an appropriate rate case. Although we are approving the modified programs on an experimental basis, we make no finding regarding the reasonableness or recovery of their associated costs. Recovery of these costs is more appropriately the subject of a subsequent proceeding in which the Company may offer evidence identifying and supporting the expenditures associated with its programs.

Accordingly, IT IS ORDERED:

(1) That the natural gas furnace program proposed by CGS in its application is hereby approved for a period of two years from the date of this order for up to 725 customers, of which no more than 650 may be residential customers and no more than 100 may be commercial customers;

(2) That the York Triathlon System program proposed by CGS in its application is hereby approved for a period of two years from the date of this order for up to 75 customers, of which no more than 50 may be from the same customer class;

(3) That the natural gas water heater program proposed by CGS in its application is hereby approved for a period of two years from the date of this order with a $50 rebate and limited to no more than 200 customers, of which no more than 180 may be residential customers and no more than 30 may be commercial customers;

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[1]Washington Gas Light ("WGL") has also filed an application with the Commission requesting approval of a rebate program for energy efficient water heaters in Case No. PUE940004. Preliminary benefit/cost analysis by WGL indicates that its residential water heater rebate program passes the utility cost test and the total resource cost test. The ratepayer impact measure test benefit/cost ratio for the WGL residential water heater program is also much higher than the ratio for the CGS program. While the WGL water heater rebate program is structured somewhat differently from the program prepared by CGS, we doubt that the cost effectiveness of the two programs ~~are~~ is as vastly different as their respective preliminary benefit/cost ratios indicate.

(4) That the Company shall file a status report with the Commission's Division of Economics and Finance, every six months during the term of the pilot programs, which, at a minimum, should address the number of customers participating in the program, program expenditures, and any difficulties experienced by the Company in implementing the programs;

(5) That CGS shall file a final report and analysis of these pilot programs not later than six months after the end of the implementation period, and not later than September 1, 1997; and

(6) That this matter be continued until further order of the Commission.

CASE NO. PUE940043
JANUARY 6, 1995

APPLICATION OF
KENTUCKY UTILITIES COMPANY, t/a OLD DOMINION POWER COMPANY

To revise its fuel factor pursuant to Virginia Code § 56-249.6

ORDER ESTABLISHING 1994/95 FUEL FACTOR

On June 17, 1994, Kentucky Utilities Company ("KU"), operating under the trade name of Old Dominion Power Company in Virginia, hereinafter referred to as "Old Dominion" or "Company", filed with the Commission its application, written testimony, exhibits, and proposed tariffs intended to increase its zero-based fuel factor from 1.251¢ per kWh to 1.338¢ per kWh, effective August 1, 1994. In its application, the Company also requested permission to discontinue, at the end of June 1994, the separately stated billing credit which was approved in Old Dominion's previous fuel factor, Case No. PUE930040. The credit was designed to return Old Dominion's settlement proceeds from a coal contract dispute to ratepayers over a one-year period ending July 31, 1994. Old Dominion further proposed that the remaining settlement funds, when the actual amount was confirmed, be returned to ratepayers via the correction factor component of the fuel factor.

The Commission Staff, by motion dated June 29, 1994, stated that the billing credit should not end effective July 1, 1994, as neither Staff, nor the public at large had been given an opportunity to file comments or testimony on Old Dominion's request. Staff stated, however, that it had no objection to a suspension of the separately-stated billing credit at the end of June, 1994, pending the Commission's formal consideration of Old Dominion's application and any comments or testimony filed in response thereto. On June 29, 1994, the Commission granted Staff's motion, ordering that Old Dominion could suspend at the end of June, 1994, its separately stated billing credit approved in the Company's previous fuel factor, pending the Commission's formal consideration of this issue in the hearing on Old Dominion's application.

By Order dated June 30, 1994, the Commission established a procedural schedule for this matter. The Commission directed Staff to file testimony on the reasonableness of Old Dominion's application, directed Old Dominion to publish notice of this proceeding, and established a hearing date for this matter. By order dated July 6, 1994, the procedural schedule was amended to allow additional time for Old Dominion to complete its notice requirements and for the filing of notices of protest. No protests were filed in this proceeding.

On July 22, 1994, Commission Staff filed its testimony on Old Dominion's application, recommending adjustments which would reduce the proposed fuel factor to 1.290¢ per kWh. In particular, based on its audit of actual fuel expenses, Staff stated that Old Dominion's income from off-system sales during the period of December, 1991 through March, 1992 should be included as a fuel factor credit; that the December, 1991 through March, 1992 amortization of the Company's $14.5 million lump sum payment to Coal Ridge Fuel, Inc. ("Coal Ridge") for the early release of the Company's Coal Ridge contract should be excluded from fuel factor recovery, as this expense did not originate in the Company's fuel inventory account, account 151; that the Company should return to the South East Coal Company billing credit those litigation expenses which had been previously expensed to base rate accounts; and that the Company had understated its May, 1992 fuel oil expense.

On July 26, 1994, Old Dominion filed its rebuttal testimony, taking issue with Staff's first three proposed adjustments. At the July 28, 1994, hearing of this matter, both the Company's application, testimony and exhibits and the Staff's testimony and exhibits were admitted into the record and subjected to cross-examination. Furthermore, counsel for both Commission Staff and Old Dominion requested that the Company's proposed fuel factor increase, 1.338¢ per kWh, be allowed to go into effect on an interim basis on August 1, 1994, pending the Commission's determination of the appropriate fuel factor for the Company. Any amounts over-collected during the interim period would be subject to true up through the correction factor. Counsel for Old Dominion and Commission Staff also requested that they be allowed to file simultaneous briefs addressing the issues in dispute.

By Order dated August 1, 1994, the Commission approved an interim zero-based fuel factor of 1.338¢ per kWh, subject to true-up through the correction factor, effective August 1, 1994, and established September 13, 1994, as the date for the filing of briefs. On September 13, 1994, Old Dominion and the Commission Staff filed briefs addressing the three proposed adjustments in issue.

Staff's first adjustment relates to the December 1, 1991, merger of Old Dominion into KU and the appropriate methodology for calculation of fuel cost for the first several months following the merger. Coincident with the merger, the recovery of fuel cost for the generation of electricity for the Company's Virginia jurisdictional customers came under the jurisdiction of the Virginia State Corporation Commission pursuant to Virginia Code § 56-249.6. From the date of the merger, the Company was also required to comply with Virginia Code § 56-249.3, which requires electric utilities owning and operating generating facilities for retail sales within this state to file monthly with the Commission such information as the Commission deems necessary. Pursuant to this code section, the Commission has established its fuel monitoring system which enables electric utilities to file their monthly fuel data in the form of a computer diskette. These data facilitate the Staff's ongoing review of actual fuel expenses that the Commission has deemed appropriate as fuel cost.

During the first four months after the merger of Old Dominion into KU, the Company, with leave of Commission Staff, did not make its monthly filings under the fuel monitoring system. During the same four months, the fuel factor amount Old Dominion charged its Virginia jurisdictional

customers remained the amount which had been established by the Federal Energy Regulatory Commission ("FERC") prior to the merger. This did not mean, however, that the Commission had accepted the FERC's allocation methodology for these four months.

In this proceeding the Commission's Accounting Staff filed testimony based upon its audit of actual fuel expenses dating from the first post merger months.[1] As a result of this audit, Staff found that the Company had not credited to its fuel factor balance $70,663 earned by the Company from off-system sales during the first four months after the merger of Old Dominion into KU.

The Company states that this overrecovery exists because the Company did not switch to the Virginia fuel monitoring system until April, 1992 when it initiated its post-merger fuel factor, rather than in December, 1991 immediately upon the merger. This argument fails to recognize that the fuel monitoring system does not of itself create fuel factor credits or expenses; rather it permits the review of actual fuel expenses and credits shortly after they are incurred.

Because these revenues from off-system sales were collected while the Company was subject to the Commission's jurisdiction for the determination of its fuel factor rate, they should have been credited to the correction factor component of the Company's fuel factor. Such action is consistent with Commission policy and Virginia Code § 56-249.6, as it protects a utility's ratepayers from subsidizing off-system energy sales.

Staff's second accounting adjustment relates to KU's buy-out cost for the early release from its Coal Ridge fuel contract. In executing the release, KU entered into a twelve-month fixed price contract for the delivery of 24,000 tons of coal per month beginning in April, 1988. In consideration for the release, KU made a $14.5 million lump sum payment to Coal Ridge. Subtracting the lump sum payment from the estimated total fuel cost savings of $27.4 million from the buy-out resulted in a net savings in fuel expenses of approximately $12.9 million. KU proposed to FERC and the Kentucky Public Service Commission ("Kentucky Commission") that the buy-out cost be amortized over the remaining life of the contract through account 151, the fuel inventory account. The buy-out cost would subsequently be charged to account 501 as the replacement coal was consumed. Fuel clause recovery of the buy-out cost was approved by both the Kentucky Commission and FERC; however, FERC required that the buy-out cost be directly amortized to account 501, rather than through the inventory account, using a straight line method.

In this proceeding, Staff recommended removal of $86,244 from fuel factor recovery. This sum represents the amortization of the buy-out cost that was included in the fuel factor balance for the first four post-merger months, December, 1991 through March, 1992. Staff points out that as these expenses did not originate in the coal inventory account, account 151, they are not recoverable under the Commission's Definitional Framework of Fuel Expenses. Staff noted that it has treated such cost as base rate items in the past.

The Company states that if the buy-out cost in question is not now collected, its Annual Informational Filings in 1991 and 1992 will have been overstated because the Company assumed the collection of those revenues through the fuel factor authorized at that time. This may be true. The fuel factor mechanism, however, gives the Company dollar for dollar recovery for allowable fuel expenses. Accordingly, the Commission must closely scrutinize such expenses. Furthermore, the Commission's fuel factor methodology for the Company's first four post-merger months need not mirror the FERC's methodology. Consistent with the Commission's Definitional Framework of Fuel Expenses and Staff policy, the amortization of the Coal Ridge fuel contract buy-out cost for December, 1991 through March, 1992 should not be recoverable through the fuel factor.

Staff's third accounting adjustment relates to the separately stated billing credit approved in the Company's last fuel factor proceeding, Case No. PUE930040, for the return of the Virginia jurisdictional portion of the settlement proceeds from the Company's litigation with South East Coal Company ("South East"). The Commission approved the Company's request to deduct from this billing credit legal fees in the amount of $212,890 which represented Virginia's allocation of the legal fees incurred during the dispute with South East.

In this proceeding, Case No. PUE940043, the Accounting Staff testified that the same legal expenses had been expensed to the Company's base rate accounts each year as incurred. Although the Commission's Division of Energy Regulation recommended approval of the Company's requested billing credit in Case No. PUE930040, Staff witness Lamm testified herein that during that proceeding he had no knowledge that the legal fees being deducted from the billing credit had previously been expensed to base rate accounts. He also stated that at that time he was unaware that the Commission's Accounting Division has historically treated only those cost initially charged to account 151, the fuel inventory account, as proper for fuel factor recovery. Consequently, in this proceeding, Staff witness Lamm stated that his testimony in Case No. PUE930040, regarding the treatment of South East litigation expenses, is incorrect insofar as it supports a reduction in the separately stated billing credit.

Staff argued that the Commission is not bound by its finding in the order establishing the Company's 1993/94 fuel factor in Case No. PUE930040 ("1993/94 Order"), as the case remains open and the 1993/94 Order specifically states that actual fuel expenses will be audited at a later time.

The Company argued that the 1993/94 Order is final in nature and that the Commission may not reverse its previous decision. While conceding that the final determination of the proper level of fuel expenses stays open awaiting the final audit of Commission Staff with respect to the prudence of fuel expenses, the Company argues that this process is not available to assure that only fuel related expenses are recovered.

The Commission rejects the Company's argument. Although the 1993/94 Order states that adjustments will be made to the Company's fuel factor if the Commission finds that actual fuel expenses have been imprudent, it does not state that imprudence is the only reason for adjusting the Company's fuel factor post-audit. Anytime Staff's audit reveals that non-fuel expenses have been built into the fuel factor rate, an adjustment will be made in the correction factor of the Company's next fuel factor.

With respect to the South East litigation expenses, the Commission is of the opinion that any cost that have been expensed to the Company's base rate accounts are not normally appropriate for fuel factor recovery. Yet, the Commission is concerned about the language of the 1993/94 Order regarding the recovery of these specific expenses. Accordingly, the treatment of the litigation expenses related to the South East settlement shall remain as

[1]The data contained in Staff Witness DeBruhl's testimony is substantively identical to that contained in the Accounting Staff's report on the Company's Fuel Expenses for the period December 1, 1991 through December 31, 1993. This report was filed on July 19, 1994 in Case Nos. PUE900019, PUE920018, and PUE930040. When the Commission's Division of Energy Regulation completes its evaluation for the same time period, Staff will file its annual report. The Commission will then enter an order providing an opportunity to comment and request a hearing on the report.

stated in the 1993/94 Order. The Company is, however, on notice along with all other electric utilities, that all fuel expenses remain subject to reevaluation by the Commission until such time as a fuel factor docket is closed.

For the reasons stated above, the Commission is of the opinion and finds that the Company's income from off-system sales during the period of December, 1991 through March, 1992, should be included as a fuel factor credit; that the December, 1991 through March, 1992 amortization of the Company's lump sum payment to Coal Ridge should be excluded from fuel factor recovery; and that the treatment of the litigation expenses related to the South East settlement shall remain as stated in the 1993/94 Order.

The Commission further finds that the South East billing credit that was suspended herein by Order dated June 29, 1994, should be permanently terminated. Any balance remaining should be incorporated in the correction factor of the Company's next fuel factor proceeding.

The Commission further finds that the interim zero-based fuel factor of 1.338¢ per kWh, established in the August 1, 1994, Order Imposing Interim Fuel Factor Rate, should remain in effect until the Company's next fuel factor proceeding and that the Commission's findings herein should be incorporated in the correction factor of such proceeding. Approval of this fuel factor, however, 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 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 fuel factor proceeding, all of whom are provided 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 cost or has made decisions resulting in unreasonable fuel cost, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position of the Company's next fuel factor. 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:

(1) That the zero-based fuel factor of 1.338¢ per kWh approved in the Commission's August 1, 1994, Order Imposing Interim Fuel Factor Rate shall remain in effect until the Company's next fuel factor proceeding;

(2) That the South East billing credit, that was suspended herein by Order dated June 29, 1994, shall be permanently terminated. Any coal contract settlement balance remaining shall be incorporated in the correction factor of the Company's next fuel factor proceeding;

(3) That the Commission's findings herein, with respect to the Company's off-system sales and amortization of the Company's payments to Coal Ridge for release of a fuel contract, shall be incorporated in the correction factor of the Company's next fuel factor proceeding; and

(4) That this matter is continued generally.

CASE NO. PUE940043
JANUARY 27, 1995

APPLICATION OF
KENTUCKY UTILITIES COMPANY, t/a OLD DOMINION POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER

On January 26, 1995, Kentucky Utilities Company, t/a Old Dominion Power Company ("the Company") filed a motion requesting reconsideration or clarification of the Commission's order establishing the Company's 1994/95 fuel factor ("the Order") issued on January 6, 1995, in Case No. PUE940043. The Company expressed its concern that the Order results in non-fuel related revenues from off-system sales being included in the Company's fuel factor. In particular, the Company is concerned that the "mark-up" from the sale of economy energy to neighboring utilities has incorrectly been included in the Commission-ordered credit of $70,663 relating to off-systems sales for the period December, 1991 through March, 1992.

In order to clarify its understanding of the Commission's policy on the types of revenue to be included in the fuel factor, the Company requested that the Commission either grant reconsideration in this proceeding or, in the alternative, confirm that this issue, the fuel factor or base rate treatment of the "mark-up" of economy sales, can appropriately be raised by the Company in the appropriate fuel factor cases when the Staff files its audits of the Company's fuel expenses for the period December 1, 1991, through December 31, 1993, or thereafter.

The Commission, upon consideration of this matter, is of the opinion and finds that the Company's request for reconsideration should be denied, but that the Company may pursue the issue regarding the proper treatment of the "mark-up" of economy sales in the appropriate fuel factor cases following the filing of the Staff's annual reports for those calendar years that have yet to be subject to a final audit order of the Commission. Accordingly,

IT IS ORDERED:

(1) That the Company's request for reconsideration is hereby denied;

(2) That the Company may pursue the issue regarding the proper treatment of the "mark-up" of economy sales in the appropriate fuel factor cases following the filing of Staff's annual reports for those calendar years that have yet to be subject to a final audit order of the Commission; and

(3) That this matter is continued generally.

CASE NO. PUE940045
MARCH 9, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

For a general increase in its rates and to revise its tariffs

FINAL ORDER

On June 22, 1994, The Potomac Edison Company ("Potomac" or "Company") filed its application for a general increase in rates, designed to produce additional gross annual revenues of $12.5 million above the level produced by its then-permanently approved rates. At the time of this filing, Potomac had pending before the Commission another rate application, Case No. PUE930033. The issues in that case were disposed of by Final Order dated November 18, 1994.

By order dated July 11, 1994, the Commission established a procedural schedule and appointed a Hearing Examiner to conduct further proceedings, including a public hearing scheduled for December 7, 1994. On that date, representatives of the Commission Staff and the Company appeared before the Examiner and tendered their Joint Recommendation, requesting that the Examiner adopt their recommended disposition of the issues. Testimony of all Staff and Company witnesses was admitted into the record without cross-examination and no public witnesses or intervenors appeared at the hearing.

On February 7, 1995, the Hearing Examiner issued his Report. In it, he found that:

(1) The Joint Recommendation presented by Potomac Edison and Staff is just and reasonable and should be adopted by the Commission;

(2) The twelve months ending March 31, 1994, is an appropriate test period in this case;

(3) The Company's test year operating revenues, after all adjustments, were $140,909,000;

(4) The Company's test year operating revenue deductions, after all adjustments, were $120,452,000;

(5) The Company's test year net operating income and adjusted operating income, after all adjustments, were $20,457,000 and $20,401,000, respectively;

(6) The Company's current rates produced a return on adjusted rate base of 8.88% and a return on equity of 9.71%;

(7) The Company's current cost of equity is within a range of 11.00% to 12.00%, and the Company's rates should be established based on the 11.50% midpoint of the equity range;

(8) The Company's overall cost of capital, using the midpoint of the equity range, is 9.71%;

(9) The Company's adjusted test year rate base is $229,640,000;

(10) The Company requires $3,015,000 in additional gross annual revenues[1];

(11) The Company's rate design should be modified in accordance with the provisions found in the Joint Recommendation;

(12) The Company should file permanent rates designed to produce the revenues found reasonable [in the Report] using the revenues found reasonable [in the Report] using the revenue apportionment methodology agreed upon by Staff and the Company; and

(13) The Company should be required to promptly refund, with interest, all revenues collected under its interim rates[2] in excess of the amount found just and reasonable [in the Report].

The Company waived its right to submit comments or exceptions to the Examiner's Report.

NOW THE COMMISSION, having considered the Examiner's Report, the Joint Recommendation, and the evidence herein, together with the applicable statutes and rules, is of the opinion and finds that the recommendations of the Examiner are reasonable and supported by the record and should be adopted in their entirety.

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[1]Above the level approved in Case No. PUE930033.

[2]A portion of the proposed increase in rates was implemented by Potomac on November 20, 1994, pursuant to Virginia Code § 56-238.

Accordingly, IT IS ORDERED:

(1) That the Examiner's findings referenced above be, and hereby are, approved;

(2) That on or before March 31, 1995, Potomac shall file revised schedules of rates and charges and revised terms and conditions for service consistent with the findings herein;

(3) That on or before June 14, 1995, Potomac shall refund with interest as directed below all revenues collected from the application of the proposed rates and charges which took effect under bond on November 18, 1994, to the extent such revenues exceeded the revenues that would have been produced by the rates and charges approved herein;

(4) That interest upon each such refund shall be computed from the date payment of each monthly bill was due while the proposed rates were in effect to the date a refund is made and shall be compounded quarterly. The interest rate for each quarter shall be the arithmetic mean, to the nearest one hundredth of one percent, of the "Prime Rate Charged by Banks on Short-Term Business Loans" values published by the Federal Reserve Bulletin, or in any other Federal Reserve statistical release or publication, for the three months preceding the calendar quarter;

(5) That the refunds ordered in paragraph (3) above may be accomplished by credits to current customers' accounts (with such refund being shown separately on each customer's bill). Refunds exceeding $1 owed to former customers shall be made by check mailed to the customer's last known address. Potomac may retain refunds of less than $1 owed to former customers. If such refunds are retained, Potomac shall prepare and maintain a list of former customers owed refunds of less than $1. Upon request, Potomac shall promptly make the refund of less than $1, but such refund shall be for the amount originally determined without additional interest. All unclaimed refunds shall be disposed of as provided by Virginia Code Ann. § 55-210.6:2. Potomac may credit current customers' accounts or set off the refund against former customers' bills to the extent no dispute exists regarding the outstanding balances. If an outstanding balance is disputed, no offset shall be permitted for the disputed portion;

(6) That on or before August 1, 1995, Potomac shall file with the Commission's Director of Public Utility Accounting a report showing that all refunds have been made pursuant to this Final Order and itemizing the cost of refunding. Such itemization shall include, inter alia, computer costs, personnel hours, associated salaries, and costs for verifying and correcting the refund methodology, and cost of developing computer programs;

(7) That Potomac shall bear all costs of the refund directed in this Order; and

(8) That there being nothing further to come before the Commission in this matter, this case shall be removed from the Commission's docket and the papers placed in the file for ended causes.

CASE NO. PUE940047
AUGUST 10, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
LUCK STONE CORPORATION,
Petitioner
v.
RAPPAHANNOCK ELECTRIC COOPERATIVE,
Defendant

ORDER OF DISMISSAL

On July 5, 1994, Luck Stone Corporation ("Luck Stone") filed a Petition for Declaratory Order, requesting a determination that the terms and conditions related to the interruptible demand provision in the Interruptible Service Rider Schedule IS-1 of Rappahannock Electric Cooperative ("Rappahannock") are void for lack of public notice. The matter was assigned to a Hearing Examiner to conduct further proceedings. Rappahannock subsequently filed its Response and Luck Stone filed its Reply. Following several requests for extension, Luck Stone advised the Examiner by letter dated August 2, 1995, that it had settled its dispute with Rappahannock. The Examiner issued her Final Report on August 4, 1995, recommending that the Commission enter an order dismissing the proceeding.

Accordingly, IT IS ORDERED that this matter be, and hereby is, dismissed from the docket of active cases.

CASE NO. PUE940048
MARCH 6, 1995

APPLICATION OF
THE CITY OF VIRGINIA BEACH

For a certificate pursuant to Va. Code § 25-233

OPINION

By application filed July 15, 1994, the City of Virginia Beach, Virginia ("the City") sought our permission to undertake condemnation proceedings to acquire certain easements on property owned by Virginia Electric and Power Company ("Virginia Power"). State Corporation Commission permission to begin condemnation proceedings is required under § 25-233 of the Code of Virginia because both the City and Virginia Power are

corporations possessing the power of eminent domain.[1] Before the City is permitted access to Virginia courts to exercise its power to condemn the property of a utility company, the Commission must find that (1) "a public necessity or that an essential public convenience" requires the taking and (2) no property "essential to the purposes" of the utility will be taken from it.

This case is a very small part of a much larger and longer controversy over whether the City should be permitted to build a pipeline to carry water from Lake Gaston in Brunswick County to the City of Virginia Beach to alleviate water supply problems in the City. The record here reflects that the controversy has continued for many years through federal and state agencies and courts. Although our task was small, it generated great interest, particularly on the part of long-standing opponents of the pipeline. On August 17, 1994, we ordered Virginia Power to respond to the application and required the City to publish public notice of the application in the affected areas of the Commonwealth.

Virginia Power filed an Answer to the application and prepared testimony and exhibits on the issues. Harold E. Carawan ("Carawan") and the Roanoke River Basin Association ("RRBA") filed a joint protest, supported by testimony and exhibits, on October 7, 1994, and Country Club Shores Association, Inc. ("Country Club Shores") also filed a protest.[2] The Attorney General of Virginia sought permission to intervene, which was granted on October 3, 1994.

The matter was heard by the Commission on October 26, 1994. In addition to the City and Virginia Power, Carawan, RRBA, Country Club Shores, and the Attorney General appeared and participated in the hearing.[3] On November 7, 1994, we issued a final order in this case granting the permission sought by the City to initiate condemnation proceedings against the property of Virginia Power. Carawan and RRBA filed a single notice of appeal on December 6, 1994, and Country Club Shores filed a separate notice of appeal the following day. On December 22, the City and the Attorney General filed notices of intent to participate in the appeals as appellees.

A.

The merits of this case are governed by § 25-233 of the Code of Virginia. That section raises two issues. Put simply: (1) does Virginia Beach require the easements to meet a public necessity or an essential public convenience and (2) are the easements essential to Virginia Power's purposes? The evidence in this record leads us to conclude that Virginia Beach requires the easements to make the Lake Gaston pipeline a viable source of water and that the easements are not essential to Virginia Power.

The City's need for the easements cannot be seriously contested on the evidence in this record. First, there is ample evidence that Virginia Beach must address a water supply problem, one which now causes water-use restrictions in Virginia Beach and threatens to cause more in the future. Virginia Beach needs additional water supply if it is to avoid water service problems. Moreover, the problems are acute enough to justify the current attention given them by the City.

Second, the record reflects numerous detailed evaluations of the proposed pipeline as a solution to Virginia Beach's water supply problem. Given the level of effort to bring the pipeline to fruition and the extensive positive consideration already completed by numerous qualified bodies, we are persuaded that the ultimate viability of the pipeline as a source of water supply can be assumed for our purposes.[4] Because the pipeline is a viable solution to the City's water supply problem, the need for its connection to the water source, Lake Gaston, unequivocally follows.

Section 25-233 cannot reasonably be interpreted to require a complete re-examination of all of the previous analyses of the pipeline. This case involves only whether the City should be permitted access to the courts of the Commonwealth to attempt to condemn a small portion of the property necessary to build the pipeline. In light of the limited scope of the task assigned to us by § 25-233, it is not appropriate to interpret the section in a way which would give us broad jurisdiction to re-examine the entire project and decide whether it is in the public interest. We have no jurisdiction to approve the pipeline project itself. To interpret § 25-233 to give us such jurisdiction would convert that limited statute into a gateway through which Commission jurisdiction might be extended to an infinite number of subjects, as long as a locality or utility sought condemnation of the property of another locality or utility to accomplish some minor part of the objective. We do not interpret § 25-233 to intend such a broad grant of jurisdiction.

In short, the evidence of record supports only one conclusion: the City requires the easements it seeks to make the pipeline a viable water supply source. Thus, the City has established the public necessity or essential public convenience required by the statute.[5]

There is even less controversy about whether the easements sought by the City are essential to Virginia Power's purposes. They are not. Virginia Power all but concedes the point. Virginia Power's witness testified that granting the City the easements in question would not harm Virginia Power's operations or its electric customers. The record reflects that Virginia Power and the City have reached agreements (1) regarding compensation for the minimal amount of power generation which could be lost as a result from the City's withdrawal of water from Lake Gaston and (2) requiring the City

[1]For purposes of § 25-233, the City is a "corporation" requiring our permission. Boulevard Bridge Corp. v. City of Richmond, 203 Va. 212, 123 S.E.2d 636 (1962).

[2]The City moved to dismiss these protests on several grounds, and we denied the motion and allowed the participation. In our order of October 19, 1994, we explicitly did not reach the question whether Carawan, RRBA, or Country Club Shores are parties in interest under § 25-233 so as to make them proper parties on appeal. See, Page v. Commonwealth, 157 Va. 325, 160 S.E. 33 (1931).

[3]Several legislators and private citizens also expressed positions on the matter by letter or by oral statement at the hearing. They have not sought further participation, although we have considered their views.

[4]We also assume that no pipeline will be completed without proper authorizations. Mr. Carawan testified that there may be unacceptable environmental impacts of the pipeline and better alternatives to solve Virginia Beach's water supply problems. However, the City's witnesses testified in some detail as to the lack of any unacceptable environmental impacts and the consideration and rejection of alternatives to the pipeline during years of analysis. On these contested points we are persuaded by the City's testimony.

[5]We are sensitive to the important public policy concerns expressed by Senator Hawkins at the hearing. However, here, we are constrained to follow and enforce the statutes as adopted by the General Assembly.

to cease completely any withdrawals which would interfere with federally-mandated water flow or lake level requirements.[6] The evidence is clear that the easements are not essential to Virginia Power's purposes.

Taking the evidence of record as a whole, we concluded that the findings required by § 25-233 must be made in favor of the City.[7] Accordingly, we decided the merits in favor of granting the City permission to initiate appropriate condemnation proceedings to acquire the easements.

B.

Carawan and RRBA filed a motion to dismiss this case. They argued that the Federal Power Act preempts the state action sought here because Lake Gaston is a federally-licensed, hydro-electric project. Virginia Power's Answer to the application raises similar issues. The City and the Attorney General opposed the motion, and we denied it by order of October 19, 1994.[8]

As we explained in our order of October 19, 1994, we denied the motion to dismiss because it misapprehends the nature of this case. It argues that the Commission is preempted because Lake Gaston is a federally-licensed, hydro-electric project and, as a result, the Federal Energy Regulatory Commission ("FERC") has authority over "the appropriateness of the transfer of certain easements." However, this case cannot result in the transfer of the easements or any other property interest. Here, the issue is access to the courts of the Commonwealth, not the transfer of the property interests which might result if we grant that access. There is no need to consider whether FERC jurisdiction preempts a Commission-ordered transfer of property interests because § 25-233 authorizes no Commission-ordered transfer of property. Any subsequent condemnation proceeding, in which property transfers might be authorized, will present Carawan and RRBA with an appropriate opportunity to raise the preemption issue.[9]

This case can result in no impact on the operation of the hydro-electric facilities at Lake Gaston because it cannot result in the transfer of the property interest. Only the following condemnation proceeding, if it occurs, can result in that impact.[10] It would be premature to decide a preemption issue based on a jurisdictional conflict which can only occur in another, later proceeding.

For this reason, we denied the motion to dismiss. As we have explained previously, we made the factual findings required by § 25-233 in favor of the City. Therefore, we granted the City permission to begin legal proceedings to condemn the easements.

Commissioner Moore took no part in this proceeding.

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[6]Although a voluntary transfer of the easements could make their condemnation unnecessary, Virginia Power refuses to make a voluntary transfer without Federal Energy Regulatory Commission approval under its federal hydro-electric facilities license.

[7]As we noted in our final order, there was some testimony about potential damage to neighboring property or property owners by virtue of the City's proposed water withdrawal from Lake Gaston. Issues of damage to neighboring property are matters left to any condemnation proceeding the City may undertake. Page v. Commonwealth, 157 Va. 325, 160 S.E. 33 (1931).

[8]Carawan and RRBA also sought an extension of time to file testimony and exhibits, which we denied by order of October 6. Although the dates for the filing of testimony and exhibits had been established since our August 17 order and published in newspaper notices on August 31, Carawan and RRBA did not request any extension of time until October 3. Given their long history of familiarity with the Lake Gaston pipeline, we saw no justification for the delay in seeking an extension of time.

[9]The preemption issue is not so strong for Carawan and RRBA in any event. There is no express preemption provision applicable to this case, and implied preemption is seriously undercut by §§ 14 and 27 of the Federal Power Act, 16 U.S.C. §§ 807 and 821, respectively. Section 14 contemplates state condemnation of federal hydro-electric facilities, and § 27 expressly reserves to state jurisdiction matters of municipal water supply. Areas of relevant state jurisdiction are clearly left undisturbed. Finally, any conflict between the Commission's decision here and FERC action is hypothetical because the FERC has not yet taken final action.

[10]We are not aware that the City has undertaken any condemnation proceedings.

CASE NO. PUE940051
FEBRUARY 20, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Investigation of Dominion Resources, Inc. and Virginia Electric and Power Company

CONSENT ORDER

On this day, came the Staff of the Commission, Dominion Resources, Inc. (DRI) and Virginia Electric and Power Company (Virginia Power), and moved the Commission to enter an order herein, to which DRI and Virginia Power consent, which would establish certain conditions, limitations and prohibitions regarding the corporate relationships between DRI and Virginia Power.

The Commission, having considered the motion, and the consent of DRI and Virginia Power, finds the entry of such an order to be in the public interest, and will accordingly grant the motion.

UPON CONSIDERATION WHEREOF, IT IS ORDERED THAT:

1. DRI, and any successor in interest thereof, is hereby enjoined, without the prior written approval of the Commission, from: (a) eliminating the board of directors of Virginia Power; (b) acting in the place of or in substitution for the board of directors or officers of Virginia Power; (c) making any change in the composition, size, or membership of the board of directors of Virginia Power; (d) amending the Articles of Incorporation or by-laws of Virginia Power; or (e) taking any other action which would be inconsistent with the provisions of paragraphs 1 or 2 of this order.

2. Virginia Power's board of directors shall be the sole body responsible for the hiring, retention, management and supervision of the officers of Virginia Power, for the exercise of all corporate powers, and for the management of the business and affairs of said corporation. Nothing herein shall prevent DRI or Virginia Power from undertaking joint actions not inconsistent with the provisions of this order.

3. Unless sooner modified or vacated by the Commission, this order shall remain in effect until 12:01 a.m., July 2, 1996.

CASE NO. PUE940051
MAY 9, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Investigation of Dominion Resources, Inc. and Virginia Electric and Power Company

ORDER

On January 23, 1995, the Commission Staff filed a Staff Report on the Investigation of Virginia Electric and Power Company's Fuel Expenses Related to the 1988 CSX Transportation Contract ("Staff Report"). The Staff Report concluded that, based upon a review of the circumstances relating to the renegotiation of the 1988 coal hauling contract, certain costs should be disallowed. The Staff Report recommended, inter alia, that Virginia Power immediately credit its fuel factor in the amount of $8.3 million for the period through May 31, 1994, and that the Company should credit the deferred fuel balance monthly for ongoing excessive fuel costs, subject to final audit by Staff's Division of Public Utility Accounting.

On February 1, 1995, Dominion Resources, Inc. ("DRI") and Virginia Electric and Power Company ("Virginia Power") filed a Joint Response and Motion responding to the Staff Report. In the Joint Response and Motion, DRI and Virginia Power ("the Companies") requested that the Commission adopt several provisions. It was proposed that Virginia Power would credit to its deferred fuel account $8.3 million, the Virginia jurisdictional portion of the amounts in controversy for the period through May 31, 1994. Costs incurred after May 31, 1994, would be determined in a future fuel factor or similar proceeding. Virginia Power would also initiate negotiations with CSX Transportation ("CSXT") to reduce charges in its coal transportation contract and would pursue other alternatives to achieve reductions, and it would report to the Staff periodically on its progress. The Companies also noted the Joint Response and Motion was not an admission of fault by DRI or Virginia Power in connection with the renegotiation of the 1988 CSXT coal transportation contract, nor an admission with respect to Virginia Power's rights against CSXT.

On March 24, 1995, the Commission Staff filed a Staff Reply to Joint Response and Motion of Dominion Resources, Inc. and Virginia Electric and Power Company ("Staff Reply"). In the Staff Reply, the Staff recommended that Virginia Power immediately credit its deferred fuel account in the amount of $8.3 million, as recommended in the Staff Report for disallowance for the period ending May 31, 1994. The Staff Reply also recommended that any excessive fuel costs for the period after May 31, 1994 should be addressed in a future fuel factor or similar proceeding. The Staff Reply supported efforts by Virginia Power to renegotiate its current coal transportation contract with CSXT, and it recommended requiring Virginia Power to provide the Staff with periodic reports on the renegotiation efforts.

NOW THE COMMISSION, having considered the matter, finds that the proposal of DRI and Virginia Power to credit the fuel factor in the amount of $8.3 million, together with other measures recommended by the Companies and Staff, are in the public interest. Accordingly,

IT IS ORDERED:

(1) That Virginia Power immediately credit its deferred fuel account in the amount of $8.3 million;

(2) That Staff and the parties address any excessive fuel costs related to the 1988 CSXT coal transportation contract as amended for the period after May 31, 1994, in future fuel factor or similar proceedings;

(3) That Virginia Power initiate contract negotiations with CSXT and pursue other alternatives to reduce coal transportation charges; and

(4) That Virginia Power provide semi-annual reports on the progress of such renegotiation and other cost reduction efforts to the Staff; the first report to be provided on or before June 30, 1995.

CASE NO. PUE940053
MARCH 1, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TIDEWATER WATER COMPANY-ISLE OF WIGHT
TIDEWATER WATER COMPANY-SUFFOLK
TIDEWATER WATER COMPANY-SOUTHAMPTON
TIDEWATER WATER COMPANY-JAMES CITY
AQUA SYSTEMS, INC.
KILBY SHORES WATER COMPANY

DISMISSAL ORDER

On July 7, 1994, Tidewater Water Company ("Tidewater") 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 increase the rates and charges for the following affiliated water companies: Tidewater Water Company-Isle of Wight, Tidewater Water Company-Suffolk, Tidewater Water Company-Southampton, Tidewater Water Company-James City, Aqua Systems, Inc., and Kilby Shores Water Company (hereinafter referred to as "the Companies").

On August 31, 1994, the Commission issued an Order Docketing the Matter and Directing Company's Proposed Increase Interim and Subject to Refund. By letter dated January 25, 1995, the president of Tidewater notified the Commission that it was withdrawing the proposed increases for all the companies and that such increases had not been implemented to date.

NOW THE COMMISSION, having considered Tidewater's letter, is of the opinion that this case should be dismissed from the Commission's docket of active cases. Accordingly,

IT IS ORDERED that this matter be, and hereby is, dismissed from the Commission's docket of active cases.

CASE NO. PUE940054
MARCH 28, 1995

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

ORDER AUTHORIZING INTERIM RATE MODIFICATIONS

On September 1, 1994, Virginia Natural Gas, Inc. ("VNG" or the "Company") filed an application with the State Corporation Commission ("Commission") for an expedited increase in rates designed to recover an additional $9,941,316 in gross annual revenues, based upon financial and operating data for the 12 months ended June 30, 1994. On the same day, the Company filed a separate application seeking approval of two new optional rate schedules relating to compressed natural gas vehicle service.

On September 23, 1994, we authorized VNG to put interim rates designed to produce the requested additional revenue into effect for service rendered on and after October 1, 1994, subject to refund with interest, until such time as we made our final determination in this proceeding. We also consolidated VNG's expedited rate application and its application seeking approval of the two new optional rate schedules for hearing.

On January 17, 1995, Anheuser-Busch, Inc., Ford Motor Company, Nabisco Brands, Inc., Owens-Brockway Glass Container, Inc., and United States Gypsum Company (hereafter collectively referred to as "the Industrial Protestants") filed direct testimony which, among other things, recommended that the Company develop a rate schedule for unbundled firm transportation service.

On February 15, 1995, VNG witness Jeffrey L. Huston filed initial rebuttal testimony on behalf of VNG wherein he proposed modifications to existing Rate Schedules 6 and 7 to allow customers receiving service under those schedules to opt out of the standby sales feature and avoid related charges. These modifications provided, among other things, that if a customer requested only firm transportation service without standby firm gas service, VNG would assess only a monthly customer charge and a delivery charge. The customer would not pay a demand charge or a capacity charge. Customers would also have the opportunity to choose to receive some standby firm gas sales service but at a volume less than the firm transportation service the customer would be entitled to use to move his gas through the system.

On March 8, 1995, a public hearing on VNG's applications was convened. At that hearing, counsel for the Industrial Protestants expressed support for VNG's proposed modifications to unbundle Schedules 6 and 7. Staff also testified that it did not oppose the proposed modifications to Schedules 6 and 7.

The Company and the Industrial Protestants requested that the modifications to Rate Schedules 6 and 7 be permitted to take effect on an interim basis as soon as possible after hearing in the case but prior to the Commission's order. VNG witness Huston and VNG's counsel stated that the Company was aware of the risk involved in implementing substantial rate design changes on an interim basis. Counsel for the Industrial Protestants also recognized that there was a risk that services and rates implemented on an interim basis might not ultimately be approved.

On March 14, 1995, the Hearing Examiner entered an Interim Report. She recommended that the Commission enter an order adopting her finding that interim implementation of the modifications to unbundle Rate Schedules 6 and 7 was reasonable, and allowing said modifications to become effective for service rendered on and after April 1, 1995. The Examiner observed that FERC Order 636 provided customers with more upstream gas transportation options and other gas supply options. She found that unbundled Schedules 6 and 7 represented a timely response by VNG to its customers' needs. The Hearing Examiner invited the parties to file comments in response to her Interim Report within 15 days of its issuance.

On March 17 and 23, 1995, VNG and the Industrial Protestants each filed comments in support of the Interim Report. On March 24, 1995, Virginia Power advised that it did not take exception to the recommendations contained in the March 14, 1995 Interim Report.

NOW, upon consideration of the record herein, the Hearing Examiner's Interim Report, the comments filed in response to said Report, and the applicable statutes, the Commission is of the opinion and finds that the recommendation of the March 14, 1995 Interim Report to implement these rate modifications on an interim basis is reasonable; and that VNG's proposed modifications to Rate Schedules 6 and 7 should be implemented on an interim basis, subject to refund with interest, effective for service rendered on and after April 1, 1995, until such time as a final determination is made in this proceeding.

Accordingly, IT IS ORDERED:

(1) That the recommendation of the March 14, 1995 Hearing Examiner's Interim Report to implement these rate modifications on an interim basis is hereby adopted;

(2) That VNG's proposed modifications to Rate Schedules 6 and 7 shall take effect on an interim basis, subject to refund with interest, for service rendered on and after April 1, 1995, until such time as a final determination is made in this proceeding; and

(3) That this matter is continued in order to receive the further Report of the Hearing Examiner and further orders of the Commission.

CASE NO. PUE940056
JANUARY 27, 1995

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For approval of experimental demand-side management program

ORDER AUTHORIZING EXPERIMENTAL DEMAND-SIDE MANAGEMENT PROGRAM

On September 2, 1994, Northern Virginia Electric Cooperative ("NOVEC" or "the Cooperative") filed an application requesting approval of an experimental demand-side management ("DSM") program. NOVEC proposed to implement its experimental DSM program through the expansion of its current residential audit practices. In its expanded residential audit program, NOVEC proposed to include the identification of excessive air infiltration contributors, the presentation of recommendations for cost-effective measures to correct such problems, and the provision of incentives to encourage the implementation of the recommended measures. These incentives would be in the form of a co-payment by the Cooperative for installation of the recommended measures as well as an option for interest-free extended payment of the customer's share of the cost.

NOVEC proposed to include, in its recommendations and as part of its incentives, certain other energy conservation measures to the extent such measures had not already been installed. Specifically, these measures include the installation of electric water heater blankets, low-flow showerheads, and energy efficient light bulbs.

NOVEC proposed to offer the program to approximately 100 customers in the Dale City and the Stonington subdivisions. Participation would be limited to those customers who have a primary residence that is both heated and cooled using electricity as a primary fuel. NOVEC proposed to offer the program until the maximum number of participants are signed for the program, or 12 months from the starting date.

On October 26, 1994, the Commission entered a procedural order in this docket, providing for publication of notice of the contents of the application and establishing a period for the receipt of public comments or requests for hearing. No intervenors filed comments or requests for hearing.

On December 29, 1994, the Commission's Staff filed its Report addressing the proposed program. Staff noted that NOVEC was the first electric cooperative to file an application requesting approval of a residential DSM program since the Commission adopted new DSM policies in 1992 and 1993. Staff, believing that the expanded residential audit program would encourage residential energy conservation, enable NOVEC to reduce on-peak load demand and energy production, and provide useful information that can be used by other cooperatives in implementing pilot DSM programs, recommended Commission approval of NOVEC's application.

Staff also recommended that the Cooperative provide results of its experimental program and an associated analysis, including a cost benefit analysis, within 24 months after commencing the implementation of its program. This analysis should include, but not be limited to, load impacts on its system in terms of energy consumption and summer and winter demand, environmental impacts on society, market potential, customer satisfaction and bill savings, annual and cumulative revenue loss, program cost-effectiveness, efficiency of program operation and snap-back effect for the program.

While Staff supported the development and application of NOVEC's residential efficiency program, Staff was concerned that the comprehensive program did not pass the benefit/cost tests when implemented on a pilot scale. Staff noted that, while the program may not be cost-beneficial on a pilot scale, it may be cost-beneficial once it is implemented on a full scale basis.

On January 17, 1995, counsel for the Cooperative filed comments on Staff's Report. The Cooperative stated that it concurred with Staff's recommendation for approval of its experimental program and for the filing of a detailed analysis of the program.

NOW THE COMMISSION, having considered the application, the Report of its Staff, the comments, and the applicable rules and statutes, finds that the experimental demand-side management program should be approved subject to the reporting requirements recommended by its Staff. The Commission finds that it is in the public interest for NOVEC to utilize the experimental program described in its application in order to gather data and to test program concepts. Such data will enable the Cooperative and the Commission to determine whether the program is feasible and should be implemented on an expanded basis.

We established a broad policy framework for the development of DSM programs in Case No. PUE900070. The March 27, 1992 Final Order in that case affirmed our support for cost effective DSM programs as essential components of balanced resource portfolios. A number of electric and natural gas utilities have filed for approval of DSM programs since the March 1992 and June 1993 orders were issued in Case No. PUE900070. We are encouraged by the variety of DSM programs filed by utilities in response to the policy changes initiated in that docket.

We are concerned, however, that some utilities may be pursuing programs that may raise issues regarding the public interest. These issues concern the lack of benefit to non-participating customers and possible rate impact of such programs particularly to those customers with low incomes. We address these and other concerns in more detail in Application of Commonwealth Gas Services, Inc., Case No. PUE940042; Application of Washington Gas Light Company, Case No. PUE940004; Application of Virginia Electric & Power Company, Case No. PUE940008; and Application of Appalachian Power Company, Case No. PUE940041. Such concerns must be addressed if demand-side management programs are to be successful in Virginia.

We will approve NOVEC's experimental DSM programs subject to the filing requirements recommended by Staff. Staff has raised concerns regarding the cost-effectiveness of the program which cannot be adequately addressed without the benefit of additional data and operating experience.

The Commission finds that, due to the limited size and experimental nature of the approved program, a public hearing is unnecessary in this proceeding. Should NOVEC seek permanent or expanded implementation, it will, of course, bear the burden of showing that the program will be cost-effective on a permanent basis.

Finally, although we are approving the program on an experimental basis, we make no finding regarding the reasonableness of recovery of associated costs. Recovery of these costs is more appropriately the subject of subsequent proceedings in which the Cooperative may offer evidence identifying and supporting the expenditures associated with its program. Accordingly,

IT IS ORDERED:

(1) That the experimental program proposed by NOVEC is hereby approved for a period of 12 months from the date of this order, subject to the filing requirements identified herein;

(2) That the Cooperative shall file a status report with the Commission's Division of Economics and Finance every six months during the term of the experimental program, which, at a minimum, should address the number of customers participating in the program, the expenditures associated with the program, and any difficulties experienced by the Cooperative in implementing the program;

(3) That NOVEC shall file a final report and analysis of its experimental program not later than 24 months after implementation of the program, or January 31, 1997, whichever date is sooner, which shall include at a minimum the data detailed herein; and

(4) That this matter shall be continued until further order of the Commission.

CASE NO. PUE940057
JUNE 19, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a pilot program to establish a standby generation control system

ORDER APPROVING PILOT PROGRAM

Before the Commission is the application of Virginia Electric and Power Company ("Virginia Power" or "Company") for approval of its Standby Generation Control System ("SGCS") pilot program. According to Virginia Power, the SGCS would involve the installation of control equipment on a mixture of customer-owned and Virginia Power-owned generators. Using the control equipment, Virginia Power would then remotely operate and dispatch the generators at periods of system peak demand. In exchange for the right to dispatch the customer-owned generators, Virginia Power would maintain, repair, and test these facilities at no cost to their owners. In addition, Virginia Power would provide fuel for the generators. According to Virginia Power, SGCS would have the effect of providing the Company another source of generation in exchange for services and fuel provided to the owners of the equipment.

Virginia Power has applied for approval of the SGCS pilot program under the Commission's Rules Governing Utility Promotional Allowances (Mar. 27, 1992) ("Promotional Allowance Rules"). As provided by Section III(B) of the Rules, the Commission may approve promotional allowance

programs designed to achieve energy conservation, load reduction, or improved energy efficiency, provided that these programs meet various standards. It is Virginia Power's position that the provision of services and fuel in exchange for the opportunity to dispatch the customer-owned generating equipment to meet peak demand should be approved under the Promotional Allowance Rules.

By order of December 13, 1994, the Commission docketed this application and directed Virginia Power to give notice by publication of newspaper ads and by service of copies of the Commission's order on various public officials. Virginia Power filed on February 2, 1995, proof of publication and service. Accordingly, the Commission finds that Virginia Power gave appropriate notice of its application.

In response to the public notice, the Commission received comments from the City of Richmond, which operates a gas utility. As explained in its comments, the City's concerns with SGCS would be substantially mitigated if Virginia Power limited participation to oil-fired or other non-gas-fired generators. If gas-fired generators are used in SGCS, Richmond is concerned about adverse effects on its gas utility operations. According to the City, SGCS could encourage the indiscriminate use of gas for meeting electric peak load during periods of gas peak use. Such result could, in Richmond's view, lead to gas curtailment and jeopardize gas service to small customers. While it did not request a hearing, Richmond urged the Commission to approve a pilot program with conditions to protect gas utilities during peak gas usage periods.

The Commission also received the "Comments and Motion to Dismiss or, in the Alternative, Request for Hearing" filed by the Private Power Producers Association of Rockville, Virginia ("Private Producers"). According to its pleading, Private Producers is a trade association of firms installing, maintaining, repairing, and testing standby generation equipment. Some members also own and operate standby generation equipment. Private Producers made several arguments for dismissal of the application. According to Private Producers, Virginia Power did not establish that the cost of the various incentives offered to the generator owners would be the most effective means of securing an additional source of capacity. Private Producers argued that refinement of curtailable service options now offered by Virginia Power in its Schedules G and 10 and appropriate pricing signals would encourage standby generator owners to maintain their equipment in a high state of reliability and to use it when needed during periods of peak demand.

Private Producers also contended that Virginia Power's selection of its own Fossil & Hydro group to develop and manage SGCS was flawed. Private Producers challenged the solicitation process used, and it alleged that Virginia Power may have subsidized the Fossil & Hydro proposal. Next, Private Producers argued that the SGCS program could place its members who install, maintain, repair, and test standby generation equipment at an undue competitive disadvantage. The cost of services and fuel provided generator owners might be subsidized by Virginia Power. Finally, Private Producers contended that Virginia Power did not consider the effect of SGCS on alternative energy suppliers. For all these reasons, Private Producers contended that the proposed pilot program is not in the public interest, and the application should be dismissed. In the alternative, Private Producers requested a public hearing on the application.

The Commission's December 13, 1994 order docketing this matter directed the Commission Staff to investigate the application and file a report with copies to Virginia Power and commenting parties. We subsequently authorized the filing of responses to Private Producers' motion to dismiss and the filing of comments on the Staff Report. Both Virginia Power and the Staff responded to the motion to dismiss. Virginia Power argued that its application made a sufficient showing that SGCS was in the public interest and that sufficient information on costs and benefits had been provided. Virginia Power also contended that it had established that the selection of its Fossil & Hydro group to develop and manage the program was justified. Finally, Virginia Power argued that SGCS would not have an adverse impact on providers of services to generators since the unregulated firms would be used by Virginia Power to provide services to SGCS participants.

In its response, the Commission Staff took exception to Private Producers' contention that the Commission's decision in Commonwealth ex rel. Virginia Chapter, National Elec. Contractors Assoc. v. Virginia Elec. & Power Co., 1978 S.C.C. Ann. Rep. 74, aff'd sub nom. Virginia Elec. & Power v. SCC, 219 Va. 894, 252 S.E.2d 333 (1979), barred this program. The Staff contended that this Commission decision had addressed only the recovery of costs for competitive services. According to the Staff, the Commission had not reached the question of whether Virginia Power could or could not offer a service which competed with an offering from unregulated entities. Further, the Staff noted that SGCS could be viewed as a capacity enhancement program.

As directed by the Commission, the Commission Staff filed on March 10 its report on SGCS. The Staff expressed several concerns with Virginia Power's assumptions and cost-benefit analysis. The Staff noted that the continued decline in the estimated cost of combustion turbines and the number of hours Virginia Power dispatched participating standby generators could have a substantial impact on the benefits. Staff also concluded that the number of participants and the nature and condition of their generators could have a substantial impact on the estimated benefits. Finally, the Staff noted that existing programs, including Virginia Power's Schedules 10 and SG and the Curtailable Service Rider, could all discourage participation. Nonetheless, the Staff recommended that the Commission approve the pilot program. If successful, the program could result in additional dispatchable capacity at a relatively low cost to ratepayers. The Staff recognized that the Private Producers raised several policy questions concerning the impact of the program on unregulated firms and the selection of the Fossil & Hydro proposal.

Virginia Power and Private Producers filed comments on the Staff Report. Virginia Power was in general agreement with the Staff. It noted that the Staff's concerns about various assumptions could be tested in the pilot program and used in the final analysis of the pilot program. Virginia Power stated it was prepared to establish an operating target of 300 hours per year per generator to achieve the net benefits suggested by its preliminary analysis. The Company went on to note that it saw considerable value from the program as a ten-minute or quick-start reserve which served reliability considerations and not necessarily economic dispatch criteria.

In its comments on the Staff Report, Private Producers urged the Commission to conduct a hearing to consider the impact of SGCS on unregulated providers of fuel and services to owners of standby generators. Private Producers repeated its arguments concerning unfairness and cross subsidization resulting from the use of Fossil & Hydro to develop and to manage SGCS. Finally, Private Producers argued that a hearing was necessary to develop a more complete and factual record.

The Commission has considered the issues raised in the various pleadings described in the preceding paragraphs, and we have reached a number of conclusions. First, the Commission will deny Private Producers' motion to dismiss the application. Dismissal of Virginia Power's application would be appropriate only if the application were so deficient or so flawed as to provide insufficient basis for the Commission and interested persons to consider the Company's proposal. As we set out in some detail in the following paragraphs, Private Producers and the Staff raise a number of issues which we expect to be explored in this pilot program. Further, we expect Virginia Power to provide additional information to the Staff and to the commenters on the implementation and results of the program. Virginia Power's application is not so deficient as to warrant dismissal.

The Commission will also deny Private Producers' request for a public hearing. As we explain in greater detail in this order, the Commission is authorizing a limited pilot program to test SGCS and to secure additional data. The Commission will not extend or expand the pilot program unless a factual basis for an expansion is established during the pilot program. There are no factual issues which require a hearing now. The factual issues raised by Private Producers go to whether a permanent program should be pursued and there will be time enough to hear those factual issues when additional information from the pilot program is available. The Commission finds that the pleadings filed in this proceeding provide sufficient basis for its decision to allow the pilot program to move forward, subject to the conditions we impose in this order, without a public hearing.

The Commission has also considered Richmond's concerns about the impact of SGCS on gas utilities. The Staff expressed the view in its Report that Richmond's concerns were unfounded since procedures were in place for addressing priority delivery of gas and that the City of Richmond, although not a utility subject to Commission jurisdiction, had participated in these proceedings. At this stage of the proceeding, the Commission need not determine what, if any, impact SGCS would have on gas utilities. Virginia Power proposes a modest pilot program involving relatively few participants. As the Staff noted, the overwhelming percentage of generators are diesel-fired, and many elements of the pilot program were designed to encourage participation by owners of this equipment. The Commission will limit participation in the program by gas-fired generators to not more than one-half of the program's total capacity. Even with this limitation, there appear to be an ample number of generators for a limited pilot program. Should the results of the pilot program indicate that SGCS should be expanded or made permanent, the Commission will have additional information with which to take up the issue of the impact on gas utilities.

The Commission will address the remaining issues raised by the application, the comments, and the Staff Report with reference to various provisions of our Promotional Allowance Rules. Section IV(A)(2) of the Rules requires a utility to offer a promotional allowance uniformly and contemporaneously to all customers in the same reasonably defined class. By its very nature, a pilot program has limited participation. In this instance, Virginia Power proposes to involve up to 20 participants with up to 10 megawatts of total load. "Participant" is not defined in Virginia Power's application, and the synonyms "customer" and "candidate" appear in numerous passages of that document. The cost studies and other analysis appear, however, to be based on individual generators. Given the issues raised in the pleadings in this proceeding, the Commission finds that limiting the SGCS to 15 individual generators is appropriate.

According to the Staff Report, Virginia Power would provide approximately 3.5 mega watts, or approximately 35 percent, of the 10 mega watts of load for the pilot program. According to the application, Virginia Power facilities would be used for testing and promoting SGCS. The Commission is concerned, however, that Virginia Power facilities not dominate the pilot study and that non-Company facilities provide as much data as possible. Accordingly, the Commission finds that Virginia Power facilities need not be included in the count of 15 participants, but Virginia Power facilities should not exceed approximately 35 percent of the total load in the pilot program. We look for a true test of SGCS which will not be dominated by Virginia Power generators. As previously noted, we will limit gas-fired generator's participation. The Commission will not impose any other mandatory operating requirements. Virginia Power may otherwise conduct the program as proposed.

The Promotional Allowance Rules also require that a program not vary the rates, charges, and tariff schedules under which service is rendered to a customer. Based on Virginia Power's application, it does not appear that any rate, charge, or schedule now effective would be varied or altered by SGCS. As both Private Producers and the Commission Staff noted in their filings, current authorized schedules and riders could influence participation in the program. It also appears that participation in the program could have some revenue impact on Virginia Power. Accordingly, we will require Virginia Power to collect and report information on the consumption levels and consumption patterns of customers that commit generators to SGCS.

Promotional allowance rules also require that any program be designed to minimize the potential for putting unregulated businesses at an undue competitive disadvantage. In its pleadings, Private Producers has contended that its members would lose business as owners of generators stopped relying on members to service and fuel their generators. The Commission appreciates and shares Private Producers concerns about the impact on unregulated businesses as Virginia Power expands into the provision of various services to customer-owned generators. We find, however, that any permanent impact on unregulated business cannot now be quantified or otherwise measured, and any adverse impact of the pilot program is limited by the relatively small number of generators involved. Further, Virginia Power has stated in its application that it proposes to contract with unregulated businesses to provide many of the services which will be offered to SGCS participants in exchange for permitting the Company to operate and dispatch their generators. We will require Virginia Power to collect and report on the number of contractors involved in each of the various services offered as part of SGCS and the aggregate value of the contracts awarded to these unregulated businesses. The Commission recognizes that, for competitive reasons, Virginia Power and the participating contractors may not want specific information about individual contracts to reach the public domain. The Commission expects, however, sufficient information, in a form that may be disclosed publicly, to gauge the impact on unregulated businesses providing fuel and various services to standby generators.

Private Producers has contended at several points in this proceeding that the proposed SGCS was barred by either prior Commission decision or by law. The Commission disagrees. While the proposed pilot program includes the provision of some services which are offered by unregulated companies, the crux of the program involves Virginia Power's control of standby generators. Although the equipment will be operated in parallel with Virginia Power's grid and power will not be exported to the grid, Virginia Power's operation of the equipment will effectively contribute to the meeting of its total load. This pilot program is an experiment to determine whether the owners of standby generators will participate and what terms they might expect for this transfer of control. Our earlier decision in Commonwealth ex rel. Virginia Chapter, National Elec. Contractors Assoc. v. Virginia Elec. & Power Co., 1978 S.C.C. Ann. Rep. 74, addressed only the appropriate cost recovery of equipment, outdoor lighting, that was also offered by unregulated businesses. Likewise, the Commission finds SGCS consistent with the corporate purpose of an electric utility. The results of the pilot program may show that SGCS is technically unworkable or unattractive to customers. In short, the program may not work or it may not be worth the cost. Under those circumstances, Virginia Power may abandon the program or the Commission may order its discontinuance. The Commission finds, however, that there is no basis for barring Virginia Power from commencing the experiment.

The Commission is mindful, however, of the provision of our promotional allowance rules generally prohibiting recognition of the cost of such allowance programs for ratemaking until approved by the Commission. In the record before us, the Staff and, to limited extent, Private Producers have raised questions concerning the cost benefit analysis provided by Virginia Power. Accordingly, while the Commission will authorize Virginia Power to commence the pilot program under the conditions previously discussed, we will also require separate accounting for the costs incurred to this point and the costs incurred in the pilot program. We direct Virginia Power to keep accurate and complete account of all of these costs during this promotional program.

Our discussion and findings predispose that the Commission will direct Virginia Power to file reports on the progress and results of SGCS. Virginia Power proposed continuing the pilot program for one year from the time the control system is fully functional for all generators. We approve this. According to the application, a minimum of several months will be required to select participants, install equipment, and test the installation. Accordingly, we direct Virginia Power to inform the Commission when it has done all preliminary work and is prepared to initiate the pilot program with the participants. The one-year study will begin on the date identified by Virginia Power. We direct Virginia Power to file with the notification of when the pilot program will commence a preliminary report on the progress of this program. We direct Company to file a second preliminary report after the program has been in operation for six months. Finally, we will direct the Company to file a final report after one year of experience. Should Virginia Power determine that the pilot program warranted extension, an appropriate request for authorization to continue this program should be filed at least 60 days before the end of the one year so that the Commission may have sufficient time to consider such a request. Accordingly,

IT IS ORDERED:

(1) That Virginia Power be authorized to implement its pilot program for SGCS subject to the conditions imposed herein;

(2) That Virginia Power shall file reports as directed herein; and

(3) That this case be continued generally.

CASE NO. PUE940060
SEPTEMBER 5, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
JIMMY R. CROCKETT, et al.
v.
POCAHONTAS WATER WORKS, INC.

FINAL ORDER

On August 22, 1994, Pocahontas Water Works, Inc. ("Pocahontas" or "the Company") notified its Virginia customers pursuant to the Small Water or Sewer Public Utility Act (Va. Code § 56-265.13:1 et seq.) of its intent to increase its rates for water service effective October 10, 1994. Pocahontas provides service to customers in the Amonate and Bishop communities which are located in both Virginia and West Virginia. Such service is provided pursuant to a certificate of public convenience and necessity granted by the Virginia State Corporation Commission and similar authority granted by the West Virginia Public Service Commission.

By order entered on August 1, 1994, the Circuit Court of McDowell County, West Virginia, appointed Mark S. Hollyfield as the receiver to operate the Company. The Court ordered Mr. Hollyfield to "take whatever actions are necessary and proper . . . to correct the problems that exist at Pocahontas . . . in order to provide an adequate and safe water supply to the [Company's] customers."

In its August 22, 1994 notice the Company proposed to increase the flat rate of its Virginia customers from a monthly minimum charge of $9.50 to $35.00 and to increase the metered rates for those customers for the first 1,000 gallons as follows: an increase from $8.30 to $29.75 for 5/8 inch meter or less; an increase from $12.45 to $33.90 for a 3/4 inch meter; an increase from $20.75 to $42.20 for a 1 inch meter; an increase from $30.30 to $51.75 for a 1 1/4 inch meter; and an increase from $41.50 to $62.95 for a 1 1/2 inch meter. The Company also proposed to change its monthly usage rate from a declining block rate to a rate of $2.90 per 1,000 gallons for usage in excess of the 1,000 minimum.

Approximately 48 percent of the Company's customers filed written comments objecting to that increase. On October 6, 1994, the Commission entered an order scheduling the matter for hearing on March 14, 1995, declaring the proposed increase interim and subject to refund, and establishing a procedural schedule for the filing of pleadings, testimony, and exhibits.

By Hearing Examiner's Ruling dated January 19, 1995, the hearing was continued to June 15, 1995, to provide the Commission's Staff with additional time to complete its investigation. The March 14 date was retained for the purpose of receiving comments from public witnesses or interveners. No public witnesses on interveners appeared at that hearing.

On June 15, 1995, the matter came before Senior Hearing Examiner, Glenn P. Richardson. Counsel appearing were Eric M. Page for Pocahontas; Thorton L. Newlon for the Company's customers residing in Amonate ("Amonate Protestants"); and Marta B. Curtis for the Commission's Staff. Witnesses for the Amonate Protestants were unable to attend the hearing, and their prefiled testimony was admitted to the record as interveners' comments pursuant to agreement of counsel. In their comments customers complained of low water pressure, frequent and prolonged outages, and problems with iron and manganese. There was another intervener who appeared at the hearing and made a statement opposing the rate increase.

At issue in this proceeding was how much additional revenue was needed to ensure the Company's continued operation until the Tazewell Public Service Authority ("PSA") rebuilds both systems and assumes responsibility for providing water service to customers in both communities. This was expected to be accomplished in 1996.

It was the Company and Staff's position that the proposed increase was necessary to provide the Company with sufficient capital to continue operating the systems in the interim period before the PSA assumes control of the systems. It was also Staff's position that certain improvements should be undertaken during this period to improve the level of customers' water service. These improvements, in order of priority, are as follows:

(1) finding and repairing leaks in the Amonate distribution System and restoring water service to all customers;

(2) completing the work necessary to bring the Amonate storage tank into compliance with Virginia Department of Health Waterworks Regulations and have the "boil water notice" lifted;

(3) improving the performance of the Bishop sand filtration system;

(4) improving the operation of the Bishop coagulation and sedimentation basin; and

(5) rehabilitating the Bishop water treatment plant building.

It was the Amonate Protestants' position that the Company's proposed rate increase was excessive. They supported a monthly metered rate of $15.00 for the first 2,000 gallons of water and a rate of $1.90 per 1,000 gallons for all usage thereafter. They also questioned certain expenses incurred by Mr. Hollyfield in operating the Company and recommended that the water systems be treated on a stand alone basis for purposes of determining the appropriate rate relief.

On August 2, 1995, the Hearing Examiner filed his Report. In his Report the Examiner discussed the issues and recommendations of the Amonate Protestants. He found that the proposed rate increase should be approved to ensure the continued operation of the water systems. He rejected the Amonate Protestants' recommendation that the water systems be treated on a stand alone basis noting that there was no evidence in the record to support such treatment.

The Examiner did however accept the recommendation of the Amonate Protestants relative to the billing of customers who do not receive water. The Examiner recommended that such customers not be billed if the customer is able to demonstrate that he or she is totally without water service for the entire billing cycle. In the alternative, the Examiner recommended that the Company waive its monthly fees until the customer's service is restored.

In his Report the Examiner found that:

(1) The use of a partially projected test year ending July 31, 1995, is proper in this proceeding;

(2) The Company's test year operating revenues, after all adjustments, were $19,241;

(3) The Company's test year operating revenue deductions, after all adjustments, were $44,076;

(4) The Company's test year net operating loss was $24,835;

(5) The Company's proposed rates will produce additional gross annual revenues of $28,944;

(6) The Company's proposed rates, based on the Company's test year operations, will give the Company the opportunity to earn net operating income of $3,501;

(7) The Company's proposed rates are just and reasonable, and should be approved by the Commission; and

(8) Staff witness Stevens' recommended improvements to the Amonate and Bishop water systems should be adopted by the Commission, and the Company should be ordered to comply with his recommended improvements as soon as practicable.

The Examiner recommended that the Commission enter an order which adopts the findings in his Report, grants the Company's proposed rate increase; and dismisses the case from the Commission's docket of active proceedings passing the papers to the Commission's file for ended causes.

On August 17, 1995, the Company, by its counsel, filed comments on the Report. In the comments the Company recommended that the findings of the Hearing Examiner be adopted. The Company advised the Commission that the "boil water notice" on the Amonate water system had been removed. The Company noted that it was unnecessary for the Commission to order Pocahontas not to bill customers who are not receiving water service as such customers are already provided with an opportunity for refund according to the Company's current procedures. The Amonate Protestants filed no exceptions or comments to the Report.

NOW THE COMMISSION, having considered the record, the Examiner's Report and the comments thereto, is of the opinion and finds that the Examiner's findings and recommendations are reasonable and should be adopted, including the Examiner's recommendation regarding the billing of customers who do not receive water service. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner are hereby adopted.

(2) The increase in rates and charges proposed by Pocahontas Water Works, Inc. for its Virginia customers is hereby approved.

(3) There being nothing further to be done in this matter, it be, and hereby is, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE940062
MAY 25, 1995

APPLICATION OF
BRANDI WINE, LTD.

For a certificate of public convenience and necessity

ORDER GRANTING CERTIFICATE

On August 24, 1994, Brandi Wine, Ltd. ("Brandi Wine" 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 approximately 80 customers in a portion of the Five Lakes subdivision in New Kent County, Virginia, which is known as Five Lakes 1.

The Company also requested approval of the following tariff:

1. Service Connections:
   - (a) Existing homes ..... $ 90.00
   - (b) 3/4" connection - new home $1,200.00
   - (c) Connection under pavement $3,000.00
   - (d) Service connection over 3/4" ..... actual cost plus gross-up for taxes but in no event less than 3/4" connection
2. Water Rates:
   Flat Rate
   - Residents ..... $ 20.00
   - Brookwood Golf Course ..... $ 113.34

Brandi Wine renders its bills in arrears every 30 days. The Company proposes a customer deposit equal to the customer's estimated liability for two months' usage. The Company also proposes a bad check charge of $25.00, a late payment fee of 1 1/2 percent per month on past due balances, and a $25.00 turn-on charge to restore water service that has been disconnected for non-payment of a bill or for violation of the Company's rules and regulations of service.

On November 4, 1994, the Commission issued an Order Inviting Written Comments and Requests for Hearing. In that order, the Commission directed Brandi Wine to give its customers notice of its application and to provide interested persons with an opportunity to comment and/or request a hearing on or before January 17, 1995. The Commission also directed its Staff to review and analyze Brandi Wine's application and to file a report detailing its findings and recommendations on or before March 10, 1995.

In December of 1994, two customers filed comments on the Company's application. One customer objected to the $90.00 service connection fee while the other customer objected to the $25.00 turn-on charge. The latter customer also requested a hearing but subsequently withdrew that request pursuant to a letter dated January 18, 1995.

On March 9, 1995, Staff filed its report. In that report, Staff noted customer comments filed pursuant to the Commission's order of November 4, 1994. Staff noted that complaints voiced in the comments resulted from unclear tariff language and that customers had been contacted and the matter clarified.

In its report, Staff noted that the Company purchased the assets of the water system from Oak Hill Farms, Inc. on December 28, 1994. Staff also noted that there was limited information available regarding the plant's original cost as well as limited books of record available for review. Staff was therefore unable to determine the Company's rate base or its net operating expenses. Staff, however, did not recommend any modification in the Company's rates since those rates did not appear to be unjust or unreasonable.

In order to verify that the Company's current rates are just and reasonable, Staff recommended that Staff audit the Company's books for the calendar year 1995. In order to accomplish that review, Staff recommended that the Company be required to file certain accounting data with the Commission's Division of Public Utility Accounting on or before March 31, 1996. The submitted data should include a balance sheet, income statement, cash flow statement, rate of return statement, and, if available, a federal income tax statement for the year ending December 31, 1995. In addition, Staff recommended that the Company be required to set up its books in accordance with the Uniform System of Accounts ("USOA") for Class C water companies, maintain records to support all operating and capital expenditures, and make certain booking adjustments relative to contributions in aid of construction and depreciation.

Staff also recommended that the Company be granted a certificate of public convenience and necessity. Staff stated that the granting of the certificate should, however, be conditioned on Brandi Wine receiving an operational permit from the Virginia Department of Health ("VDH").

Additionally, Staff recommended that the Commission revise certain miscellaneous service charges and certain of its rules and regulations of service. These revisions concern the elimination of the proposed turn-on charge and implementation of a $6.00 bad check charge. Staff noted that the Company has no turn-on valves and that its recommended bad check charge is consistent with the Commission's January 10, 1987 order in Case No. 19589, Ex Parte, In Re: Investigation to determine the reasonableness of certain practices and charges by public utilities.

Staff also stated that the Company should omit Rule 7 (landlord ultimately responsible for tenants' bills) from its tariff and clarify the tariff language relating to the $90.00 connection charge. The clarification should specify that the connection charge applies only to new customers. In addition,

Staff further recommended that the Company be required to submit cost support for its proposed connection charges to the Commission's Division of Energy Regulation ("the Division").

On May 22, 1995, the Division received cost information to support the Company's proposed connection charges. The Division also received verification that Brandi Wine had received its operational permit from VDH.

NOW THE COMMISSION, having considered the Company's application, customers' comments, and Staff's report, is of the opinion and finds that granting a certificate is in the public interest. We are of the further opinion that Staff should audit the Company's books for calendar year 1995 and should file a report detailing the results of its audit on or before October 1, 1996. To facilitate this review, the Company should file, on or before March 31, 1996, the financial data requested by Staff. We will not modify Brandi Wine's rates, late payment fee, and connection charges during the period pending Staff's review. The Company should, however, modify its bad check charge, the tariff language related to Rule 7, the $90 connection charge, and the proposed turn-on charge consistent with the recommendations in Staff's report. Accordingly,

IT IS ORDERED:

(1) That Brandi Wine shall be granted Certificate No. W-278;

(2) That Staff shall audit the Company's books and records and shall, on or before October 1, 1996, file a report detailing the results of its analysis;

(3) That the Company shall maintain its books in accordance with the Uniform System of Accounts and maintain its books and records consistent with the recommendations detailed in Staff's report;

(4) That the Company shall file certain financial data detailed herein on or before March 31, 1996;

(5) That the Company shall revise its tariff consistent with the modifications recommended by Staff with regard to its bad check charge, turn-on charge, its tariff language related to Rule 7, and its connection charge; and

(6) That this case shall be continued generally.

CASE NO. PUE940067
SEPTEMBER 27, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Consideration of standards for integrated resource planning, investments in conservation and demand side management, and efficiency in power generation and supply for electric utilities

FINAL ORDER

The 102d Congress of the United States adopted the Energy Policy Act of 1992 ("EPACT") on October 24, 1992. Among its many provisions, Section 111 of EPACT added new sections to the Public Utility Regulatory Policies Act of 1978 ("PURPA") to establish, for consideration by the states, standards related to integrated resource planning, conservation and demand-side management investments, and energy efficiency in power generation and supply for electric utilities. Upon the adoption of certain of these standards, a state regulatory commission is required to consider the impact of said adoption on small business.

EPACT further required that each state initiate and complete consideration of the new PURPA standards not later than three years after the statute's adoption, i.e., by October 24, 1995. Accordingly, the Commission established this docket by Order entered on October 12, 1994. That Order included a list of questions upon which the Commission solicited responses from interested parties. Comments or prefiled testimony were received from each of the Commonwealth's jurisdictional electrical utilities, and from other utilities, power suppliers, demand side management equipment vendors, environmental representatives and the Commission's Staff. The matter was brought on for hearing on June 12-13, 1995. The Commission appreciates the careful review and thoughtful comment received from the parties.

Having considered the record, the Commission finds that adoption of the federal standards is not necessary to ensure the provision of reliable electric service at just and reasonable rates. We further find that Virginians will be better served by the evolution of the Commission's existing regulatory procedures rather than by adoption of the EPACT standards.[1] Accordingly, the Commission declines to adopt the standards.

The electric utility industry at both the wholesale and retail levels was changing even as the EPACT/PURPA provisions we address here were being drafted and debated. The enactment of EPACT itself contributed to this change. While the requirement that we consider new PURPA standards appears to assume an industry largely dependent upon and controlled by traditional state regulation, other sections encourage competition and a less regulated environment. As a result of legislation, regulation, technology and other factors, the electric industry is presently experiencing a broad transformation. How the industry will be structured and will operate a decade from now is difficult if not impossible to predict. We have recently instituted a new docket to formalize a review of our policies in view of these changes.[2] Given this changing environment and our investigation, it would be unwise to adopt the proposed standards.

[1] We do not believe, as some of the parties have suggested, that adoption of any or all of the standards would somehow encumber the Commission with an unwanted federal partner in the regulation of the Commonwealth's jurisdictional electric utilities.

Although the electric utility industry is experiencing great change, it is a regulated monopoly providing a service that is vital to the economic and physical well-being of the citizens of the Commonwealth. While we do not adopt the proposed standards, given our responsibilities, several matters presented in this proceeding require comment, discussion and a statement of our expectations.

The Commission continues to be of the opinion that integrated resource planning ("IRP") is a vital, critical and necessary function of utility management and we expect each of the jurisdictional electric utilities to continue to develop, utilize and refine its planning process. The Commission also believes that there is a place for public comment and involvement in the planning process, but formal proceedings are not the only means of affording public input into the utility's planning. The parties were virtually unanimous in asserting that the responsibility for formulating and implementing a resource plan lies primarily with the utility. The Commission agrees, but believes that utilities can benefit from receiving advice and opinion from others while formulating their resource plans. We expect the jurisdictional electric utilities that are required to file a biennial, twenty-year resource plan to solicit comments from all customer classes and interested and affected parties and include them in informal, meaningful discussions regarding the utility's resource plans. This process should come early enough for the input received to be analyzed and addressed by the utility in its plan. The responsibility for reviewing and recommending to the Commission any modification in the resource plan will remain primarily with our Staff. We direct our Staff to keep us advised of the extent to which the planning discussions described above develop.

The second and third EPACT/PURPA standards deal with conservation, demand management and efficiency. As discussed earlier, the electric utility industry is presently experiencing the broadest transformation in its history. Utilities and other parties are now justifiably preoccupied with the issue of stranded costs. It is, however, also important to bear in mind the potential stranding of investment in conservation and efficiency measures and the value of resource diversity in system supply.

The new PURPA standard related to utility investment in conservation and demand management would require the Commission to set rates to ensure that "the utility's investment in and expenditures for energy conservation, energy efficiency resources and other demand side management measures are at least as profitable, giving appropriate consideration to income lost from reduced sales . . . as its investments in and expenditures for the construction of new generation, transmission, and distribution equipment." Given the current trend toward cost cutting, competition and restructuring, the ratemaking treatment of investment in conservation resources may not be the critical factor in the development and deployment of conservation and efficiency measures. Conservation, efficiency and demand-side management are, however, important and our regulation and ratemaking must continue to consider and address these issues.

The Commission has long encouraged utility efforts to promote conservation and load management programs ("CLM").[3] In our CLM Order, we stated that "cost effective CLM programs are essential components of the balanced resource portfolio that utilities must achieve to provide energy to Virginia consumers at fair and reasonable rates."[4] However, we recognized in that order that "we must move cautiously in an attempt to avoid promoting uneconomic programs, or those that are primarily designed to promote growth of load or market share without serving the overall public interest."[5] We have also recognized "that utilities have little incentive to create and market programs which serve to reduce sales and lower their profits. . . . Programs specifically designed truly to conserve energy may require consideration of ratemaking incentives when fully implemented[.]"[6]

The record disclosed several disincentives to CLM programs.[7] Further, there is, as the testimony of Staff witness DeBruhl demonstrates, a reluctance to support any flow through recovery mechanism for the costs imposed by demand-side investment.[8] Such regulatory devices were developed to facilitate recovery of massive, volatile costs that were felt to be beyond the control of the utility, and demand-side investment does not fit comfortably within this regulatory model.

The level of investment in demand-side management, conservation and energy efficiency in Virginia appears limited in comparison to supply-side investment and, in at least one instance, is diminishing.[9] The Commission reiterates its commitment to encouragement of cost-effective conservation, load management and efficiency programs and again urges the parties to propose, in utility rate applications and other proceedings, innovative approaches toward CLM development and, where appropriate, methods of overcoming disincentives toward conservation and demand-side investment. The Commission does not want regulatory convention to drive resource planning. While we can never "insure" that any investment, whether on the demand- or the supply-side, will be profitable for the utility, the Commission intends for jurisdictional electric utilities to supply reliable service at reasonable cost

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[2] *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 utility industry,* Case No. PUE950089 (Order Establishing Investigation, September 18, 1995).

[3] See, *Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In re, Investigation of Conservation and Load Management Programs,* Case No. PUE900070, 1992 S.C.C. Ann. Rep. 261 (Final Order, March 27, 1992) (the "CLM Order").

[4] Id., at 263.

[5] Id.

[6] *Application of Appalachian Power Company,* Case No. PUE920081, 1994 S.C.C. Ann. Rep. 342, 345. (Final Order, June 27, 1994).

[7] When a utility prudently invests in generation, that investment is added to its rate base and earns a return. More importantly, sales from that asset can provide a contribution to the utility's fixed costs and increase its earnings. Currently, certain of the costs of investing on the supply-side, notably fuel and purchased capacity expenses, may flow directly, by way of special clauses or deferral mechanisms, to the utility's ratepayers. By contrast, investments in demand-side programs rarely have added to the utility's rate base and, hence, been eligible to earn a return. In addition, demand-side investments can result in reduced sales, loss of contribution to fixed costs and loss of profits. (See, e.g., testimony of Appalachian witness Terry Eads (Ex. TRE-4), at pp. 7-11.)

[8] Ex. MRD-2, pp. 3-10.

[9] Virginia Power reduced its projected conservation savings by about 350 megawatts between the time of its 1994 and 1995 resource plans. (Tr. 290-91.)

to their consumers. The Commission hopes to reduce or remove any impediment or incentive that causes utility planning and investment to be skewed from attaining this goal.

In conclusion, the Commission declines to adopt the standards set forth in Section 111 of EPACT. The Commission reiterates its support for the goals of integrated resource planning, continued investment in conservation and demand management, and energy efficiency in power generation and supply for electric utilities. The Commission expects the jurisdictional electric utilities that file biennial, twenty-year resource plans to initiate processes for receiving, reviewing and analyzing input from interested and affected parties. Finally, the Commission urges utilities and other interested and affected parties to continue to develop and propose innovative programs and appropriate regulatory mechanisms for investment in cost-effective conservation, load management and efficiency measures.

There being nothing further to come before the Commission, this matter is DISMISSED from the docket of active cases.

CASE NO. PUE940068
FEBRUARY 15, 1995

APPLICATION OF
WILLIAMSBURG COURT WATER COMPANY

To amend certificate of public convenience and necessity pursuant to § 56-265.3(D)

DISMISSAL ORDER

On October 11, 1994, Williamsburg Water Company ("Williamsburg" or "the Company") filed an application to amend its certificate of public convenience and necessity pursuant to Virginia Code § 56-265.3(D). In its application, the Company requested authority to extend its service territory to provide water service to the eastern portion of the Weatherwood Subdivision in Botetourt County, Virginia.

In a letter dated January 19, 1995, the Company notified the Commission that it was withdrawing its application. Williamsburg subsequently provided more detailed information for its withdrawal in a letter dated February 10, 1995. In that letter the Company stated that it would not be serving customers in the eastern portion of the Weatherwood Subdivision due to Botetourt County's plans to create a public service authority to provide water service to such customers.

NOW THE COMMISSION, having considered the Company's letters and applicable law, is of the opinion that this case should be dismissed from the Commission's docket of active cases. Accordingly,

IT IS ORDERED that 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. PUE940070
JANUARY 9, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act

ORDER ADOPTING RULES GOVERNING THE SAFETY OF HAZARDOUS LIQUID PIPELINES

Section 56-555 of the Code of Virginia authorizes the State Corporation Commission ("Commission") to act for the United States Secretary of Transportation to implement the federal Hazardous Liquid Pipeline Safety Act ("Act"), formerly at 49 U.S.C. App. §§ 2001-2014, codified on July 5, 1994, as 49 U.S.C. §§ 60101, et seq., with respect to intrastate pipelines located within the Commonwealth to the extent authorized by certification or agreement under Section 205 of the Act, codified as 49 U.S.C. § 60105.

By Order for Notice and Comments ("Order") dated November 2, 1994, the Commission proposed to adopt by reference Parts 195 and 199 of Title 49 of the Code of Federal Regulations as the minimum pipeline safety regulations applicable to the intrastate hazardous liquid pipelines located in the Commonwealth, along with the additional requirements specified in Appendix A to the Order. The Order established notice requirements and dates for the submission of comments in support of or in opposition to the Commission's adoption of the proposed regulations and provided procedures for requesting a hearing.

By Order dated November 23, 1994, the Commission established revised dates for complying with the previously ordered notice requirements and for the submission of comments in support of or in opposition to the proposed regulations. In that regard the Commission's Division of Energy Regulation was required to publish notice in newspapers of general circulation in the Commonwealth and in the Virginia Register of Regulations of the proposed regulations. When the proposed regulations were published in the November 28, 1994 issue of the Virginia Register of Regulations, the Staff of the Virginia Code Commission, pursuant to its authority under Virginia Code §§ 9-77.7 and 9-77.10:1, made editorial changes which did not affect the substance of the proposed regulations. Furthermore, the Staff of the Virginia Code Commission has stated that additional changes may be made prior to formal publication of Commission adopted regulations in the Virginia Register of Regulations.

IT APPEARING from the record that the Commission's publication requirements were met and that no comments or requests for hearing were received, the Commission is of the opinion and finds that the proposed regulations, as now or hereafter edited pursuant to Virginia Code §§ 9-77.7 and 9-77.10:1 by the Staff of the Virginia Code Commission, should be adopted. Accordingly,

IT IS ORDERED:

(1) That Parts 195 and 199 of Title 49 of the Code of Federal Regulations, along with the additional requirements as they appear in Appendix A herein or as edited pursuant to Virginia Code §§ 9-77.7 and 9-77.10:1 by the Staff of the Virginia Code Commission for publication in the Virginia Register of Regulations are the minimum pipeline safety regulations applicable to jurisdictional hazardous liquid pipelines; and

(2) That there being nothing further to be done herein, the same is hereby dismissed.

NOTE: A copy of Attachment A entitled "Rules Governing the Safety of Intrastate Hazardous Liquid Pipeline Systems" 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. PUE940072
MARCH 28, 1995

NOTIFICATION OF
STONE MOUNTAIN JOINT VENTURE, A VIRGINIA GENERAL
PARTNERSHIP BETWEEN HOMELAND COAL COMPANY, INC., AND AMVEST EAST, INC.

To furnish gas service pursuant to Virginia Code § 56-265.4:5

ORDER DISMISSING PROCEEDING

On October 28, 1994, Stone Mountain Joint Venture ("Stone" or "the Joint Venture") filed a notification, pursuant to Virginia Code § 56-265.4:5, with the State Corporation Commission ("Commission") to furnish natural gas service to Powell Mountain Joint Venture ("Powell").

On December 29, 1994, the Commission entered an order docketing the proceeding and notifying all public utilities providing gas service in the Commonwealth of Stone's plans to furnish gas service. In that Order, the Commission advised these utilities that within 60 days of the entry of the Order they could file an application with the Commission to provide natural gas service within the area identified in the Joint Venture's notification documents. The same Order directed the Commission's Staff to investigate whether Powell's facilities were located within a territory for which a certificate of public convenience and necessity to provide gas service has been granted or within an area served by a municipal corporation that provided gas distribution service as of January 1, 1992. The Commission directed the Staff to file a memorandum advising the Commission of its findings.

On January 10, 1995, the Staff filed a memorandum advising the Commission that Powell's facilities were not located within an area for which a certificate of public convenience and necessity to provide gas service had been issued and that Powell's facilities were not located within an area served by a municipal gas distribution system.

On January 19, 1995, the Commission amended its December 29, 1994 Order and extended the time within which public utilities providing natural gas service could file an application with the Commission to provide natural gas service within the geographic area identified in the notification documents filed by Stone.

Sixty days have now elapsed since the entry of the January 19, 1995 Amending Order, and no jurisdictional public utility has filed an application to provide natural gas service within the area identified in the documents filed as part of the captioned notification.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that Powell's facilities are not located within a territory for which a certificate of public convenience and necessity to provide gas service has been granted; that as of the time of the Commission's receipt of the notice required by § 56-265.4:5, Powell's facilities are not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992; that the Joint Venture 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 herein, this matter should be dismissed.

Accordingly, IT IS ORDERED that this matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein be made a part of the Commission's file for ended causes.

CASE NO. PUE940076
SEPTEMBER 20, 1995

APPLICATION OF
COMMONWEALTH PUBLIC SERVICE CORPORATION

For an expedited increase in base rates for natural gas service

FINAL ORDER

On December 2, 1994, Commonwealth Public Service Corporation ("Commonwealth" or "the Company") filed an application for an expedited increase in its rates designed to increase its gross annual operating revenues by $21,571. The proposed increase was based on a test year ending September 30, 1994. The Commission suspended the proposed rates through January 1, 1995, and scheduled a public hearing before a hearing examiner. As authorized by law, Commonwealth put its proposed rates into effect for service rendered on and after January 2, 1995. The hearing was held on June 28, 1995, at which time only one rate design issue remained in controversy between Commonwealth and the Commission Staff. No protestants or intervenors participated in the proceeding.

With respect to the sole rate design issue, Commonwealth, in accordance with Section II of the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, apportioned its proposed increase consistent with the methodology approved by the Commission in the Company's last general rate case. Specifically, the Company apportioned 18.49% of the increase to the residential class, 73.08% to the commercial class and 8.42% to the interruptible class.

Commission Staff, however, recommended a different apportionment to move the Company's rates closer to parity. In particular, Staff recommended that no increase be applied to the interruptible class, as it is producing a high rate of return. Staff suggested that the amount of revenue increase that the Company proposed to allocate to the interruptible class be applied to the customer charge for the commercial GS-2 class, as that class needs to make the largest movement to reach parity.

On August 11, 1995, Hearing Examiner Deborah V. Ellenberg filed her report with the Clerk of the Commission. In summary, Hearing Examiner Ellenberg recommended granting Commonwealth's application, recognizing revised rates and charges generating $21,571 in additional annual gross revenues for Commonwealth. The Hearing Examiner noted that even though the Company's requested increase in annual revenues is well below the amount the Staff determined could have been justified, the Company cannot be authorized to receive an increase greater than the amount requested through public notice.

In addressing the rate design issue, the Examiner found that the interruptible class is bearing, by far, a greater portional share of costs and that the Company must go a long way to approach parity of returns. The Examiner noted that Staff's proposal makes only a small move toward parity, due to the small amount of this increase. Adopting Staff's proposal, however, would mean that the Company would be unable to realize the approved revenues in the first year of its rates, as a refund to the interruptible class would be required while the commercial GS-2 class could not be billed retroactively. Accordingly, the Examiner recommended that the Company's proposed rate design, which has been effective on an interim basis since January 2, 1995, be allowed to become permanent. The Examiner further recommended that Commonwealth be directed to continue to move its rate classes closer to parity in future cases.

In addition, the Examiner found that:

(1) The use of a test year ending September 30, 1994, is proper in this proceeding;

(2) The Company's test year operating revenues, after adjustments, were $1,608,463;

(3) The Company's test year operating deductions, after adjustments, were $1,568,072;

(4) The Company's test year net operating income and adjusted operating income, after all adjustments, were $40,391 and $38,327 respectively;

(5) The Company's adjusted test period rate base is $841,463;

(6) The Company's cost of equity is within a range of 10.6% to 11.6%;

(7) The Company's overall cost of capital range is 8.842% to 9.376%;

(8) The Company's proposed rates are just and reasonable because they will generate a return on rate base below the authorized range; and

(9) The Company's interim rates should be made permanent since they are designed to produce additional revenues at a level found reasonable by the Examiner.

The Hearing Examiner then recommended that the Commission enter an order adopting these findings and granting Commonwealth's proposed increase in rates. No comments or exceptions to the Hearing Examiner's Report were filed.

After considering the record developed in this proceeding and Examiner Ellenberg's Report, the Commission concludes that the findings and recommendations contained in the August 11, 1995, Report, as modified herein, should be adopted.

Although we agree with the Examiner that the movement toward parity resulting from Staff's proposed rate design is small, we believe such movement is appropriate and should be required. The Company, therefore, should be directed to adopt Staff's proposed rate design and to refund the amount of money overcollected from the interruptible class during the time interim rates were in effect. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's August 11, 1995, Report, as modified herein, are accepted.

(2) Commonwealth's application for a general increase in rates is granted.

(3) The Company shall forthwith file revised tariffs designed to produce $21,571 of additional gross annual revenues.

(4) The revised tariff shall incorporate Staff's recommendation on rate design and charges as approved herein.

(5) On or before November 15, 1995, Commonwealth shall refund with interest, as directed below, all revenues collected from application of rates placed in effect under bond on January 2, 1995, to the extent such revenues exceed revenues which would have been produced from the rates approved herein.

(6) Interest upon such refunds shall be computed from the date payment of each monthly bill was due until the date refunds are made at the average prime rate for each calendar quarter and that this interest be compounded quarterly. 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 refunds ordered in paragraph (6) may be accomplished by credits to current customers' accounts. Refunds to former customers shall be made by a check to the last known address of such customer when the refund amount is $1 or more. Commonwealth may offset the credits or refunds to the extent that no disputes exist regarding the outstanding balances owed by current or past customers. To the extent that an outstanding balance is disputed, no offset shall be permitted for the disputed portion. Commonwealth may retain refunds owed to former customers when such refund amount is less than $1. However, Commonwealth shall prepare and maintain a list of the former accounts for which refunds are less than $1 in the event that former customers contact Commonwealth and request refunds which shall be made promptly. All unclaimed refunds shall be disposed of in accordance with Virginia Code § 55-210.6:2.

(8) On or before January 11, 1996, Commonwealth shall file with the Director of the Commission's Division of Public Utility Accounting a statement showing that all refunds have been made pursuant to this order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include data processing costs, personnel hours, and costs of verifying and developing any necessary methodology or computer programs.

(9) Commonwealth shall bear all costs of the refunds directed in this order.

(10) This matter be dismissed from the Commission's docket of active cases and the papers placed in the files for ended proceedings.

CASE NO. PUE940078
SEPTEMBER 7, 1995

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For a certificate of public convenience and necessity pursuant to the Utility Facilities Act

FINAL ORDER

On December 13, 1994, Virginia Gas Storage Company ("VGSC" or "the Company") filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity under the Utility Facilities Act, Virginia Code §§ 56-265.1 et seq. Under this certificate, VGSC would be authorized to construct and operate an underground natural gas storage facility and related facilities to provide firm and interruptible gas storage service in Scott and Washington Counties, Virginia.

In its February 1, 1995 Order, the Commission set the Company's application for hearing on July 26, 1995, before a hearing examiner; directed the Company to publish notice of its application; and established a procedural schedule for the Company, Staff, Protestants, and public witnesses.

On the appointed day, the matter came before Glenn P. Richardson, Senior Hearing Examiner. Counsel appearing were JoAnne L. Nolte, Esquire, for the Company, and Sherry H. Bridewell, Esquire, for the Commission's Staff. No Protestants or public witnesses appeared. Roanoke Gas Company and United Cities Gas Company filed letters supporting the application. Scott and Washington Counties filed formal resolutions supporting the application.

At the hearing, the Examiner received the testimony of Michael L. Edwards, President of VGSC, and the testimony of Staff witnesses Catharine M. Lacy, James M. Hotinger, Farris M. Maddox, Richard W. Taylor, and Stephen A. Walz, Policy and Planning Manager for the Department of Mines, Minerals and Energy. The witnesses agreed that a certificate of public convenience and necessity should be issued to the Company. The principal disagreement occurred over Staff's recommendation that the maximum allowable operating pressure ("MAOP") of the storage facility be limited to 1800 pounds per square inch gauge ("psig"). At the conclusion of the proceeding, counsel for the Company waived her right to file comments on the Hearing Examiner's report.

On August 31, 1995, the Hearing Examiner issued his Report in this matter. In his analysis of whether a certificate of public convenience and necessity should be granted, the Examiner applied the criteria set forth in Application of Virginia Electric and Power Company, Case No. PUE860058, 1987 S.C.C. Ann. Rept. 262. These criteria provide that in order to obtain a certificate, an applicant must show: (1) there is a need for the additional service within the time frame contemplated by the application; (2) there are no suitable alternatives to the proposed construction; and (3) the facility's estimated cost, choice of technology, construction plans, and proposed manner of carrying out the project are reasonable. The Examiner also noted that since VGSC was a newly-formed public service corporation, its proposed rates must be just and reasonable before it may be certificated to provide service. Applying the foregoing principles to the evidence before him, the Examiner found:

(1) The Company's application and proposed natural gas storage facility are justified by the public convenience and necessity;

(2) The Company's proposed rates and charges for natural gas storage service appear reasonable; however, the Company should be required to file actual cost of service data, using the format prescribed by the Commission's Annual Informational Filing Rules, once a full year's worth of operating data becomes available;

(3) The Company's proposed rules and regulations should be modified in accordance with Staff witness Lacy's recommendations;

(4) The Maximum Allowable Operating Pressure of the natural gas storage facility should be limited to 1800 psig until such time as the Company files an independent engineering study with the Commission indicating that the facility can be operated safely at the pressures proposed by the Company;

(5) The Company should develop and implement a surface leak detection program, subject to the review and approval of the Commission's Staff, to discover and monitor any natural gas leakage from all [of] its active and capped wells;

(6) The Company should provide secondary pressure regulation at each connection to a property owner's service line to prevent a single failure of equipment from affecting the well and damaging the property owner's facilities;

(7) The Company should develop operating and maintenance manuals, in accordance with § 192.605, Title 49, of the Code of Federal Regulations, and file the manuals with the Commission's pipeline safety Staff for review as soon as possible;

(8) The Company should conduct and file a depreciation study with the Commission's Division of Energy Regulation as soon as possible;

(9) The Company should set up its books and records in accordance with the Uniform System of Accounts found within the Federal Energy Regulatory Commission Code of Federal Regulations, Conservation of Power and Water Resources, Number 18, Parts 150 to 279, Revised as of April 1, 1994; and

(10) The Commission should immediately institute a rulemaking proceeding to consider the adoption of rules and regulations governing the operation of underground natural gas storage facilities.

The Hearing Examiner recommended that the Commission enter an order that adopted his findings and granted the Company a certificate of public convenience and necessity, authorizing VGSC to provide underground natural gas storage service in Scott and Washington Counties, Virginia, and conditioned upon the Company providing satisfactory proof that it had complied with findings (5), (6), and (7) of the Examiner's Report ("Final Report").

NOW, upon consideration of the application, the record, the Final Report, and the applicable statutes, the Commission is of the opinion and finds that the findings and recommendations of the August 31, 1995 Final Report are reasonable, supported by the evidence, and should be adopted. A certificate of public convenience and necessity, limiting the storage facility to an MAOP of 1800 psig should be issued to VGSC, once the Company files documents with the Commission demonstrating that VGSC has (i) developed a surface leak detection program, (ii) provided secondary pressure regulation at each connection to a property owner's service line to prevent a single failure of equipment from affecting the storage facility and damaging the property owner's facilities, and (iii) developed and filed operating and maintenance manuals meeting the requirements of 49 C.F.R. § 192.609 with the Division of Energy Regulation. The Company may apply to the Commission for a waiver of the 1800 psig MAOP, by appropriate application, supported by an independent engineering study.

The certificate of public convenience and necessity granted herein is for the provision of storage service and does not authorize the Company to provide gas distribution service.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the August 31, 1995 Hearing Examiner's Report are hereby accepted.

(2) Upon satisfaction of the conditions precedent identified in finding paragraphs (5), (6), and (7) of the Final Report, a certificate of public convenience and necessity to construct and operate a storage facility, limited to an 1800 psig MAOP, and related facilities in Scott and Washington Counties, Virginia, shall be issued to Virginia Gas Storage Company.

(3) The Company's tariffs and terms and conditions of service, modified in accordance with Staff witness Lacy's testimony, are hereby made permanent, effective for service rendered on and after February 1, 1995.

(4) In accordance with the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rules"), the Company shall file an annual informational filing consistent with these rules, once a complete year of operating data becomes available, but in no event shall such a filing be made later than July 1, 1996.

(5) The Company shall forthwith set up its books and records of account in accordance with the FERC Uniform System of Accounts for gas utilities.

(6) The Company shall forthwith conduct a depreciation study and file it with the Commission's Division of Energy Regulation.

(7) The Company shall document that it has developed and implemented a surface leak detection program, established secondary pressure regulation at each connection to a property owner's service line, and developed and filed operation and maintenance manuals complying with 49 C.F.R. § 192.605.

(8) This matter is continued in order to receive the documents specified in ordering paragraph (2).

CASE NO. PUE940078
NOVEMBER 17, 1995

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For a certificate of public convenience and necessity pursuant to the Utility Facilities Act

ORDER ISSUING A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On September 7, 1995, the State Corporation Commission ("Commission") issued its Final Order in the captioned matter wherein it authorized the issuance of a certificate of public convenience and necessity to construct and operate an underground storage facility to Virginia Gas Storage Company ("VGSC" or "the Company") upon satisfaction of the following conditions precedent: (i) that VGSC file documents with the Commission demonstrating that it had developed a surface leak detection program; (ii) that VGSC file documents demonstrating that it had provided secondary pressure regulation at each connection to a property owner's service line to prevent a single failure of equipment from affecting the storage facility and damaging the property owner's facilities; and (iii) that the Company file operating and maintenance manuals meeting the requirements of 49 C.F.R. § 192.605 with the Commission's Division of Energy Regulation.

By letter dated November 8, 1995, the Commission's Division of Energy Regulation acknowledged receipt of the documentation required by the September 7, 1995 Final Order. That letter advised that VGSC could now make further application to the Commission for the issuance of its certificate of public convenience and necessity. By letter filed November 13, 1995, the Company made further application for the issuance of its certificate of public convenience and necessity.

NOW, UPON consideration of the foregoing and having been advised by its Staff, the Commission is of the opinion and finds that Certificate of Public Convenience and Necessity No. GS-1 should be issued to Virginia Gas Storage Company, authorizing the Company to construct and operate an underground natural gas storage facility and related facilities in the Early Grove Field located in Scott and Washington Counties, Virginia; that the maximum allowable operating pressure ("MAOP") of the storage facility should be limited to 1800 psig until further order of this Commission; that all other requirements and provisions of the September 7, 1995 Final Order, should remain effective; and that this matter should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) Certificate of Public Convenience and Necessity No. GS-1 shall be issued to VGSC authorizing it to construct and operate an underground storage facility, limited to 1800 psig MAOP, together with related facilities in the Early Grove Field located within the southern portions of the U.S.G.S. Mendota and Wallace Quadrangles, in Scott and Washington Counties, Virginia, approximately nine miles north of the Virginia-Tennessee state line near the City of Bristol.

(2) The remaining provisions of the September 7, 1995 Final Order regarding the establishment of the Company's books and records of account, the filing of VGSC's AIF, and filing a depreciation study, shall remain in effect.

(3) This application shall be dismissed from the Commission's docket of active proceedings.

CASE NO. PUE940079
JANUARY 18, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
RAYMOND LAFON
v.
HOGES CHAPEL WATER SERVICE CORPORATION

PRELIMINARY ORDER

On November 30, 1994, Hoges Chapel Water Service Corporation ("Hoges Chapel" 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 increase its tariff effective for service rendered on and after February 1, 1995.

By December 19, 1994, the Commission had received complaints from 72 percent of Hoges Chapel's customers.

NOW THE COMMISSION, having considered customers' objections, is of the opinion that the matter should be docketed and a hearing should be held pursuant to Virginia Code § 56-265.13:6. A procedural order establishing, among other things, the date of the hearing, will be by separate order of the Commission.

The Commission is of the further opinion that the Company's proposed tariff shall be declared interim and subject to refund effective February 1, 1995, and that the Company should be directed to file certain financial data consistent with our Rules Implementing the Small Water or Sewer Public Utility Act on or before February 28, 1995. Accordingly,

IT IS ORDERED:

(1) That this matter be, and hereby is, docketed as Case No. PUE940079;

(2) That the Company's tariff shall be declared interim and subject to refund for service rendered on and after February 1, 1995, until such time as the Commission has determined this case;

(3) That the Company shall file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, on or before February 28, 1995, financial data based on the test year used in the Company's analysis. Such information shall include, at a minimum, an income statement, balance sheet, federal income tax return, revenues, expenses and plant, and appropriate adjustments with supporting data as specified in Rule 8 of the Commission's Rules Implementing the Small Water or Sewer Public Utility Act; and

(4) That the matter shall be continued until further order of the Commission.

CASE NO. PUE940079
FEBRUARY 6, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
RAYMOND LAFON
v.
HOGES CHAPEL WATER SERVICE CORPORATION

DISMISSAL ORDER

On November 30, 1994, Hoges Chapel Water Service Corporation ("Hoges Chapel" 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 increase its tariff effective for service rendered on and after February 1, 1995. By December 19, 1994, the Commission had received complaints from seventy-two percent of the Company's customers.

On January 18, 1995, the Commission issued a Preliminary Order in the matter. In that Order, the Commission declared the Company's proposed tariff interim and subject to refund for service rendered on and after February 1, 1995, and directed the Company to file certain financial data with the Commission on or before February 28, 1995.

In a letter dated January 23, 1995, the president of Hoges Chapel notified the Commission's Staff that the Company was withdrawing its proposed increase. Subsequently, the Commission's Staff reported, in a February 3, 1995 filing, that it had contacted a representative of the Company who stated that Hoges Chapel had not implemented its proposed increase.

NOW THE COMMISSION, having considered the Company's letter and Staff's filing, is of the opinion this case should be dismissed from the Commission's docket of active cases. Accordingly,

IT IS ORDERED:

(1) That 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. PUE940080
APRIL 20, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of experimental real time pricing rate schedule

ORDER AUTHORIZING PILOT PROGRAM

On December 21, 1994, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application with the State Corporation Commission ("Commission") for approval of the Company's proposed Schedule RTP, a real-time pricing rate, on an experimental basis pursuant to Virginia Code § 56-234. Virginia Power proposes that Schedule RTP be implemented on an experimental basis for industrial customers that have electric loads served by the Company in excess of 10,000 kW and meet the applicability requirements for service under Schedule GS-4, large general service primary voltage. Under the proposed rate schedule, firm prices for electricity will change hourly. Prices will be established daily at 5:00 p.m. for the following day and will be based upon projected incremental hourly production costs with adjustments for line losses and gross receipts taxes plus a margin of 0.6¢ per kW hour. In addition, the proposed Schedule RTP provides for a marginal cost-based generation capacity adder and a transmission capacity adder that will apply during those hours of the year when the day-ahead projected load on Virginia Power's system is approaching the forecasted annual peak demand.

An industrial customer, whose load is more than 10 MW, who is taking service at primary voltage, and who is willing to sign a five-year agreement for service with the Company, may move up to 20 percent of its existing load plus any load growth to Schedule RTP. Schedule RTP will be applicable only to incremental or new load for those signing a one-year contract. Virginia Power states that customers volunteering for the experiment will have an opportunity to exercise greater control over their electric energy costs and potentially realize a significant level of savings; however, customers must assume certain risks for the opportunity to obtain such savings. Virginia Power commits, during the course of the proposed experiment, that it will not seek to allocate full embedded capacity cost responsibility to the GS-4 customer class for Schedule RTP loads and sales in future cost allocation studies. Virginia Power states that the experiment is necessary to determine the benefits of real-time pricing to its larger customers that select this option, as well as to the Company's other customers.

On January 10, 1995, the Commission entered a procedural order in this docket providing for publication of notice of the contents of the application and establishing a period for the receipt of public comments or requests for hearing. Comments supporting Virginia Power's application were received from Philip Morris U.S.A. ("Philip Morris"), Chesapeake Paper Products Company ("Chesapeake"), Allied Signal, Inc. ("Allied"), and The Virginia Committee for Fair Utility Rates ("the Committee"). No comments were filed opposing implementation of experimental Schedule RTP. Virginia Power filed its Proof of Notice and Service on February 28, 1995.

In its comments, Philip Morris supports Virginia Power in seeking to experiment with a new and different rate design. In Philip Morris's view, Virginia Power needs to develop and implement innovative rate design proposals in order to succeed in the marketplace and retain existing customer load and to obtain new manufacturing loads and new jobs. With the forces of competition becoming more prominent in the generation and transmission of electric power, Philip Morris believes that innovative rate design proposals like Schedule RTP will enable Virginia Power to succeed in the marketplace by retaining existing customer load and obtaining new manufacturing loads. Philip Morris further believes that Schedule RTP should enable Virginia Power to be more competitive, which in turn should allow its industrial customers to be more competitive. The Company urges the Commission to issue an order approving the Company's application.

Chesapeake filed comments in support of the Company's experimental application. Chesapeake states that Schedule RTP will provide it with cost signals that will allow Chesapeake to make operating decisions in a cost effective manner while concentrating its capital resources on paper-making equipment. Chesapeake believes that the rate schedule, as applied, will provide its mill with valid options for optimal use of Virginia Power's resources and Chesapeake's internal generation capacity. Chesapeake views Schedule RTP as a winning proposition for Virginia Power, Chesapeake, and all other ratepayers since it will promote the optimal use of resources.

In its comments, Allied notes that in order to receive benefits under the proposal, it must accept increased business risk consisting of increased price volatility and escalation, potential interruption in the event of a system emergency, and greater contract length. In its view, the rate experiment may play an important role in Allied's ability to expand in Virginia. Allied believes that the experiment is an important first step towards competitive rate options for all customers and requests the Commission to accept and approve Virginia Power's application in a timely manner.

The Committee, in its comments, views Virginia Power's proposal as a positive step in the development of a greater number of cost-based rate offerings. In that spirit, the Committee supports approval of Virginia Power's proposed Schedule RTP as a rate experiment.

On March 30, 1995, the Staff of the State Corporation Commission filed its testimony.[1] In general, Staff supports Virginia Power's development of Schedule RTP. Staff states that the implementation of Schedule RTP on a pilot basis will provide both the Company and the Commission an opportunity to monitor and evaluate how traditional rate-of-return regulation may be combined with market-oriented programs. In Staff's view, Schedule RTP should assist Virginia Power in developing the tools necessary to provide its customers better pricing signals while helping the Company retain its existing load and compete for incremental loads in a cost-effective manner. Staff believes that the RTP proposal should also help the Company gauge customer response to innovative pricing initiatives and be better prepared for an increasingly competitive market. Staff feels that the proposed program will give certain customers greater flexibility and an opportunity for controlling their electrical costs and will help the Company to avoid lost earnings associated with self generation, customer relocation, and other competitive pressures.

Staff states, however, that the RTP program represents a departure from traditional rate design and raises certain concerns regarding lost revenue and fuel cost recovery. The experimental program will adversely affect the Company's revenue and earnings if customers do not alter their load

[1]Staff notes that experimental Schedule RTP was developed in response to a proposal made by the Committee in Virginia Power's last general rate case, Case No. PUE920004. In that case the Company agreed to study the Committee's proposal and to file an experimental tariff, which has resulted in Virginia Power's filing of experimental Schedule RTP.

characteristics or reduce loads during peak periods. On the other hand, revenues and earnings could be positively affected if customers improve their load factors, add incremental loads, or if experimental Schedule RTP allows the Company to retain load that would have otherwise been lost. In short, Staff observes that it is difficult, if not impossible, to predict accurately the revenue and earnings impact of the experimental program. Staff notes that although the Company has not asked for any specific rate treatment of potential revenue or earnings losses at this time, the Company has made a commitment to potential Schedule RTP customers that it will not seek to allocate fully embedded capacity costs responsibility to the GS-4 customer class for the related RTP loads in future cost allocation studies presented to the Commission.

With respect to fuel cost recovery, Staff notes that while the experimental Schedule RTP does not include a fuel factor component, the Company has indicated that it intends to include the fuel costs associated with RTP service in its determination of the Company's fuel factor. Staff states that such treatment will create a mismatch between fuel cost recovery and fuel costs since actual RTP-related fuel costs and fuel-related revenues will not equal the costs and revenues that are reflected in the fuel factor. Staff believes that the mismatch will likely have a detrimental effect on the fuel costs of other customers since the real-time pricing fuel costs will usually exceed the average hourly production costs. Staff believes, however, that such an approach may represent an equitable sharing of Schedule RTP-related risks and rewards if Schedule RTP is successful in attracting new loads or retaining loads that would otherwise be lost. Staff notes that the Company has not performed a thorough analysis of the customer impacts associated with the actual RTP fuel costs and the assumed fuel factor recovery of those costs.

As there is insufficient information to specify treatment of RTP lost revenues or fuel cost recovery at this time, Staff suggests that the Commission defer action on these issues until the Company seeks to modify its fuel factor or base rates. When addressing these issues, Staff suggests that proper treatment should seek to balance the risk and rewards associated with the RTP program.

Staff also has concerns regarding Virginia Power's evaluation of the marginal cost components of Schedule RTP, including its generation and transmission capacity adders, and its margin and penalty charges. While the Company's evaluation is adequate for a pilot program, Staff would expect a detailed evaluation of such components should Virginia Power seek permanent status for the program. In addition, Staff states that the departure from traditional rate design could also raise concerns regarding the equitable treatment of differing customer groups.

Staff further notes that the effect of the RTP program on the Company's long-term planning activities is also uncertain. While the Company does not plan to exclude RTP loads from its load projections at this time, Staff feels that such adjustments to load projections may be appropriate if RTP customers are willing to commit to curtailing load during extreme peak periods. Staff finds that the relatively short duration of the experimental program, in comparison to the long-term commitments needed to support capacity additions, may not provide the Company and the Commission with sufficient information for redefining the Company's "public service obligation" if competitive developments require such a redetermination. Staff believes this issue should be addressed if and when Virginia Power seeks permanent approval of an RTP-type of rate schedule.

If approved, Staff believes that experimental Schedule RTP should be monitored closely and that the Company should be directed to collect and maintain detailed information regarding Schedule RTP-related fuel costs and customer responses (demand and energy) to the proposed program.

In that regard, Staff believes the Company should be directed to gather as much information as possible for assessing the true impact of the RTP program. Staff notes that it is extremely difficult to determine what would have happened in the absence of a particular program in an "after the fact" assessment. Consequently, Staff believes that the Company should collect additional information regarding external factors that may affect a participating customer's response to real-time pricing. Conditions influencing the demand for an RTP customer's products or services and other cost considerations that may impact an RTP customer's competitiveness with other producers are examples of additional information that should be assessed by the Company.

The Commission, having considered the application, the report of its Staff, the pleadings filed herein, the comments, and the applicable rules and statutes, finds that a five-year experimental pilot program should be approved, subject to the Commission's ongoing oversight. The Commission finds that it is in the public interest for Virginia Power to utilize the experimental Schedule RTP described in its application in order to gather data. Such information will enable the Company and the Commission to determine whether the program is feasible and should be implemented on a permanent basis.

We also find that Virginia Power has not comprehensively addressed all major aspects of experimental Schedule RTP. The Company addressed neither the fuel factor implications of the proposed program nor the recovery of any potential lost revenues that may be associated with the program. While the goal of all experimental programs is to gather the data necessary to determine if a particular program should be implemented on a permanent or large-scale basis, the utility requesting the experimental program must, nevertheless, address all issues relevant to the program in a complete manner. For the Commission to review applications in a reasonable and systematic manner, such data must be present. Future applications of this nature should be comprehensive and address all issues relevant to a proposed program.

While not intended or designed as such, we are concerned that the proposed program could operate as a discount rate if participant consumption patterns are not altered. The Staff's Report states that under such circumstances the Company could lose in excess of six million dollars per year. Accordingly, the Commission makes no finding in this order addressing whether such potential losses may be recovered from ratepayers and directs the Company to address this issue in any future filings regarding the experiment. We likewise, make no finding regarding the reasonableness or the recovery of the program's other associated costs or the treatment or recovery of Schedule RTP-related fuel costs and fuel-related revenues. Recovery of these items is more properly the subject of a subsequent proceeding in which the Company may offer evidence identifying and supporting its requested treatment of these items. Accordingly,

IT IS ORDERED:

(1) That experimental Schedule RTP proposed by Virginia Power in its application is hereby approved for a period of five years from the date of this order, subject to the Commission's ongoing oversight;

(2) That the Company file a status report with the Commission's Divisions of Economics and Finance and Energy Regulation every six months during the term of the pilot program. The Commission Staff shall forthwith notify Virginia Power of the data to be included in said reports;

(3) That Virginia Power shall file a final report and analysis of the pilot program not later than six months following the end of the implementation period and not later than January 1, 2001; and

(4) That this matter be continued until further order of the Commission.

CASE NO. PUE940081
NOVEMBER 17, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LAND'OR UTILITY COMPANY, INC.

FINAL ORDER

By letter dated November 16, 1994, Land'Or Utility Company, Inc. ("Land'Or" or "the Company") notified its customers pursuant to the Small Water or Sewer Public Utility Act (Va. Code § 56-265.13:1 et seq.) of its intent to increase its rates for water and sewer service effective January 1, 1995. The Company proposed to increase its minimum charge for water service from $14.80 to $22.00 and to increase the minimum charge for sewer service from $14.80 to $17.00; such charges to apply to the first 4,000 gallons of usage. Land'Or also proposed to increase its hook-up fees for new construction to reflect an increase in the connection fee for water service from $740.00 to $1,100.00, and an increase in the connection fee for sewer service from $2,240.00 to $3,100.00.

By December 27, 1994, the Commission had received objections from approximately 270 of Land'Or's customers. On December 29, 1994, the Commission issued a Preliminary Order declaring the Company's proposed tariff increase interim and subject to refund pending further investigation of the matter. By Order dated February 14, 1995, the Commission set the matter for hearing on July 6, 1995, and established a procedural schedule for the filing of pleadings, testimony, and exhibits.

On the appointed day, the matter came before Hearing Examiner Howard P. Anderson, Jr. Counsel appearing were Francis T. Eck for the Company and Marta B. Curtis for the Commission Staff. Three interveners appeared and made statements concerning the Company's proposed changes in its tariff. Proof of notice was reserved as an exhibit and subsequently filed with the Clerk of the Commission.

At issue in the proceeding were the appropriate amount for connection fees, tariff language which reflects the property owner's liability for tenant's unpaid bills, tax consequences for connection fees, and the accounting treatment for excess contributions-in-aid-of-construction ("CIAC") previously collected from connection fees. Although not at issue in the proceeding, Staff made certain booking recommendations relative to the recording of CIAC, the calculation of plant depreciation, and amortization of CIAC.

At the hearing Staff offered an alternative proposal for the treatment of excess CIAC. Staff proposed to write off excess CIAC from the beginning of 1990 to reflect the actual use of those funds. The Company did not oppose Staff's alternative proposal.

The Company maintained that the Company's connection fees should include an allowance for future plant expansion while Staff maintained that such fees should be set at the Company's actual cost. The Company objected to Staff's proposal to change the wording of its tariff to eliminate language which would deem the owner of the premises "the customer" and liable for unpaid charges incurred by the tenant. In support of its position the Company argued that, pursuant to restrictive covenants, the owner of a lot in the Lake Land'Or subdivision agreed to be responsible for his tenant's utility service in the event of tenant default. The Company maintained that connection fees should include a portion for taxes while Staff objected to such an inclusion since the Company had experienced a tax loss for the test year.

On September 18, 1995, the Hearing Examiner filed his Report. In his Report, the Examiner found that:

1. The test year ending December 31, 1994, is proper in this proceeding;

2. The Staff's proposed accounting recommendations and adjustments, including its alternative proposal . . . to write off excess contributions prior to 1994, are just and reasonable and should be adopted;

3. The Company's test year operating revenues, after all adjustments, were $494,268;

4. The Company's test year operating expenses, after all adjustments, were $561,288;

5. The Company's test year operations produced a net operating loss, after all adjustments, of $67,020;

6. The Company's rate base, after all adjustments, is $62,434;

7. The proposed rates will generate $57,173 in additional annual operating revenues, and will produce an annual net operating loss of $11,048, based on test year operations;

8. The Company's proposed rates will not result in unjust and unreasonable rates for water and sewer service; accordingly, the interim rates currently in effect should be made permanent;

9. The Company's connection fees should be set at $830 for water and $855 for sewer. Effective January 1, 1995, excess proceeds should be placed in an escrow account and used for future capital needs; and

10. The Company should establish separate records for its water and sewer service and file an income statement, balance sheet and cash flow statement with the Commission Staff on an annual basis.

The Examiner also found that Staff's proposal to modify the Company's tariff language should be rejected. In his analysis, the Examiner relied on language in the restrictive covenants as forming a contractual basis for the owner's liability for the tenant's bill in the event of default.

The Examiner recommended that the Commission enter an order that adopts the findings in his Report; grants the Company's proposed increase in rates; and dismisses this case from the Commission's docket of active cases passing the papers to the file for ended causes.

On October 2, 1995, counsel for Land'Or filed a "Response to the Hearing Examiner's Report Dated September 18, 1995" ("Response"). In that Response, the Company requested that the Commission reject the Examiner's findings relative to the appropriate amount for water and sewer connection fees and the establishment of separate records for water and sewer service. The Company also requested that Land'Or be allowed to set aside a portion of its sewer connection fees for future capital expansion and continue to receive certain availability fees. Specifically, the Company requested water availability fees from lot owners of the entire Land'Or subdivision and sewer availability fees from lot owners in the Lake Heritage section of the subdivision, such fees to be used to fund the ongoing operations of the Company.

On October 3, 1995, counsel for the Lake Land'Or Property Owners Association, Inc. ("POA") filed objections to the Examiner's findings with specific reference to the findings on connection fees and the establishment of separate records for water and sewer service. On that same day, Mr. Jefferson S. Smith, an intervener in the proceeding, filed a letter wherein he raised the same objections as the POA.

NOW THE COMMISSION, having considered the record, the Hearing Examiner's Report, and the exceptions thereto, is of the opinion that the Hearing Examiner's recommendations should be adopted with the following modification. We will set the Company's connection fees at $1,100.00 for water and $3,100.00 for sewer. The portions of those fees collected in excess of actual cost shall be set aside in two separate escrow accounts (water and sewer) to be used only for capital improvements. Under no circumstances should these escrowed funds be used for operating expenses.

We agree with the Examiner that the Company should be required to maintain separate books and records for water and sewer service. Although we are requiring the Company to maintain such records for data collecting purposes, we have not yet made any determination as to whether rates should be based on a separate basis. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner, as modified herein, are hereby adopted.

(2) Land'Or is hereby granted authority to charge the proposed increase in rates detailed herein.

(3) Land'Or is hereby authorized to charge a water connection fee of $1,100.00 and a sewer connection fee of $3,100.00. Effective January 1, 1995, portions of such fees in excess of actual cost shall be set aside in separate water and sewer escrow accounts to be used only for capital improvements thereof.

(4) The Company shall file with the Commission's Division of Public Utility Accounting an annual statement detailing the activity of each escrow account for the previous calendar year on or before March 31 and shall maintain sufficient detailed records to support such statement.

(5) The Company shall implement Staff's booking recommendations detailed herein.

(6) 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. PUE950001
MAY 11, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of a modification to Certificate of Public Convenience and Necessity No. GT-59 under the Utility Facilities Act

FINAL ORDER

On December 30, 1994, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to the Utility Facilities Act, Va. Code §§ 56-265.1 et seq., for the construction and operation of a measurement and regulating station (hereafter referred to as the "Athens M&R Station" or the "proposed facility") to be located in Caroline County, near Athens, Virginia. The application states that the Athens M&R Station will be located on a VNG pipeline easement and adjoining property acquired by Commonwealth Gas Services, Inc. ("Commonwealth") in Madison District, immediately north of State Route 207 and west of State Route 601.

As explained in its application, VNG proposes to use the Athens M&R Station to tap its natural gas pipeline approved in Case No. PUE860065, 1988 S.C.C. Ann. Rept. 257, to measure and regulate the delivery of natural gas to Commonwealth's gas distribution system in Caroline County, Virginia, pursuant to an amended gas exchange agreement between Commonwealth and VNG. VNG has stated in its application that it does not propose to provide gas distribution service in Caroline County, Virginia.

On January 26, 1995, the Commission entered its procedural order in this proceeding. That Order docketed the captioned matter, required VNG to notify the public, Commonwealth, local officials of Caroline County, and the Department of Environmental Quality of its application. The

Commission invited interested persons to file written comments or requests for hearing on the application. Further, the Commission directed its Staff to investigate and file a Report on the application by April 28, 1995.

The Rappahannock Area Development Commission, Commonwealth, the Caroline County Board of Supervisors, and the Virginia Department of Housing and Community Development filed comments supporting VNG's application. The Department of Historic Resources commented that VNG's proposed project would have no effect on historic properties. No requests for a formal hearing were filed.

On April 28, 1995, the Commission Staff filed its Report in the captioned matter. In its Report, the Staff recommended that the Commission approve the Company's application, and that a copy of the Commission's Final Order in this proceeding be placed in both VNG's and Commonwealth's certificate files.

On February 6, 1995, and on April 28, 1995, VNG filed proof of its compliance with the notice and service requirements set forth in the Commission's January 26, 1995 Order Inviting Written Comments and Requests for Hearing.

NOW, UPON CONSIDERATION of the Company's application and the applicable statutes, the Commission is of the opinion and finds that no request for a formal hearing was received and therefore, no formal hearing with oral testimony should be convened in this proceeding; that VNG's application is in the public interest and that its request for an amended certificate should be granted; that VNG's Certificate of Public Convenience and Necessity No. GT-59 should be canceled; that amended Certificate of Public Convenience and Necessity No. GT-59a should be issued to VNG to authorize it to operate the pipeline previously certificated in Case No. PUE860065, and to construct and operate the measurement and regulating station, which is the subject of the captioned application, in Madison District, immediately north of State Route 207 and west of State Route 601, in Caroline County, near Athens, Virginia; that the Athens M&R Station is necessary to allow Commonwealth to facilitate its distribution of natural gas in Caroline County; that although VNG is authorized to construct and operate the Athens M&R Station, it is not authorized to provide gas distribution service in Caroline County; that a copy of this final order should be placed in VNG's and Commonwealth's certificate files, located in the Division of Energy Regulation; and that this matter should be dismissed.

Accordingly, IT IS ORDERED:

(1) That VNG's December 30, 1994 application is hereby granted;

(2) That VNG's Certificate of Public Convenience and Necessity No. GT-59 shall be canceled, and amended Certificate of Public Convenience and Necessity No. GT-59a shall be issued to VNG, which amended certificate shall authorize VNG to operate its intrastate pipeline and to construct and operate its Athens M&R Station in VNG's pipeline easement and the adjoining property acquired by Commonwealth in Madison District, immediately north of State Route 207 and west of State Route 601;

(3) That a copy of this Order shall be placed in VNG's Certificate File No. 10316, located in the Commission's Division of Energy Regulation;

(4) That a copy of this Order shall also be placed in Commonwealth's Certificate File No. 10165, located in the Commission's Division of Energy Regulation; and

(5) That there being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases and placed in its file for ended causes.

CASE NO. PUE950002
MARCH 22, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of a Modification to its Certificate of Public Convenience and Necessity to Build a Pipeline

ORDER GRANTING MODIFICATION

On December 30, 1994, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application with the State Corporation Commission ("Commission") for modification of the certificate of public convenience and necessity issued to VNG to construct and operate a pipeline in Case No. PUE860065, 1988 S.C.C. Ann. Rept. 257. VNG has requested that the Commission remove the limitation on the natural gas carrying capacity of the pipeline of 220,000 Dths per day. Application of Virginia Natural Gas, Inc., For a Certificate of Public Convenience and Necessity to build a pipeline, Case No. PUE860065, 1988 S.C.C. Ann. Rept. 257 at 261. In support of its application, VNG maintains that its system supply requirements have continued to increase, and that it has sought and obtained from the Commission authority under the Affiliates Act to contract with affiliated entities for capacity and natural gas supplies which will increase its utilization of the available capacity on its pipeline.

VNG also notes in its application that it has executed a service agreement to obtain from a unit of The Columbia Gas System, Inc., winter peaking service of 10,000 Dths per day through the Company's pipeline from the liquefied natural gas facility at Cove Point, Maryland. Further, the application advises that Commonwealth Gas Services, Inc. ("Commonwealth") has indicated its desire to contract with VNG for 4,500 Dths per day of capacity, to be delivered at facilities approved in Case No. PUE930051 in Stafford County, Virginia, and an additional facility in Caroline County which is the subject of pending Case No. PUE950001. VNG has represented that upon approval and implementation of these capacity additions, together with the capacity additions approved for VNG in various Affiliates Act applications, and the contractual capacity entitlements established in Case No. PUE860065, utilization of the VNG pipeline will total 277,000 Dths per day. VNG anticipates that its needs and those of its customers will continue to increase over time, and it has represented that the pipeline is presently configured to provide substantial additional capacity without exceeding its maximum allowable operating pressure of 1,250 PSIG and without the construction of any additional facilities.

VNG has therefore requested that the Commission remove the restriction on the pipeline's carrying capacity. Instead, the Company asks that the Commission grant it authority to operate the pipeline at any capacity less than or equal to its maximum carrying capacity as determined by the application of sound engineering principles, without further Commission approval, provided that its maximum allowable operating pressure of 1,250 PSIG is not exceeded.

NOW, UPON CONSIDERATION of the foregoing, and having been advised by its Staff, the Commission is of the opinion and finds that this matter should be docketed; that the 220,000 Dths per day restriction on the natural gas carrying capacity for the pipeline should be removed; and that VNG should be authorized to operate the pipeline at any capacity less than or equal to its maximum carrying capacity, consistent with the Pipeline Safety Regulations adopted by this Commission, and provided that the pipeline's established maximum allowable operating pressure is not exceeded. If, at any point, we determine that VNG's utilization of its pipeline is inconsistent with the dictates of safe and efficient use, we will not hesitate to limit the utilization of the pipeline's capacity.

Accordingly, IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUE950002;

(2) That the 220,000 Dths per day gas carrying capacity restriction imposed in Case No. PUE860065 shall be removed;

(3) That VNG is hereby authorized to operate the pipeline approved by the Commission in Case No. PUE860065 at any capacity less than or equal to its maximum carrying capacity, consistent with the Pipeline Safety Regulations adopted by this Commission, and provided that the pipeline's established maximum allowable operating pressure is not exceeded; and

(4) That there being nothing further to be done in this matter, the same is hereby dismissed.

CASE NO. PUE950003
DECEMBER 6, 1995

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general increase in rates

ORDER

Virginia-American Water Company ("Virginia-American" or "Company") filed a general rate application in December, 1994. Rates were suspended through May 31, 1995, and placed into effect by the Company at that time, subject to refund.

On August 16, 1995, the City of Hopewell ("Hopewell") moved to dismiss the application on the grounds that the filing did not comply with the Commission's Rate Case Rules ("Rules"). Hopewell argued that the Company's failure to remove revenues and expenses associated with serving non-jurisdictional customers violated the Rules. The instructions for Schedules 11 and 16 require the removal of non-jurisdictional items and, under Rule I(7), an application cannot be deemed filed with the Commission unless it is in full compliance with the Rules.[1] Hopewell maintained that the application should be dismissed. Hopewell's motion was supported in filings by the Hopewell Committee for Fair Water Rates ("Committee") and the City of Alexandria ("Alexandria").

Virginia-American opposed the motion and noted that it filed a cost study for its three largest non-jurisdictional customers after the discovery of its omission and would afterwards file a complete study, and suggested that it was thus in substantial compliance with the Rules. It asserted that it had filed similar applications, i.e., omitting the jurisdictional separations, for many years without complaint. It also argued that such a strict interpretation of the Rules could cause absurd results, such as the inability to revise an application after its filing without necessitating a dismissal and the re-filing of a revised application.

On September 28, 1995, the Hearing Examiner issued his Interim Report, finding that the Company's application violated the Rate Case Rules, because of the failure to separate jurisdictional and non-jurisdictional costs as required by the instructions to Schedules 11 and 16.

The Examiner found the requested remedy of dismissal to be "drastic and unwarranted under the circumstances in this case." Although he found the application should not be dismissed, the Examiner did find that it could not be deemed filed until it was in full compliance with the Rules and could not, therefore, begin the period for suspending rates, pursuant to Code § 56-238. The Examiner recommended that the Commission enter an order directing the Company to cease collecting interim rates and to refund, with interest, all monies collected from the interim rates.

Responses to the Examiner's Report were filed by the Company, Hopewell, Alexandria, and the Committee on October 16, 1995.

Virginia-American contended that there is no materiality standard in Rule I(7), and under Hopewell's argument, all applications must therefore be absolutely perfect before the filing could be deemed complete and interim rates implemented. The Company maintained that nothing in *Virginia Committee*[2] requires the "utility's application to be perfect before it may be deemed filed." It noted that the failure to file non-jurisdictional cost studies

[1] Rule I(7) reads, in pertinent part: "An application shall not be deemed filed under Section 56-238, Code of Virginia, unless it is in full compliance with these rules."

[2] *Virginia Committee for Fair Utility Rates v. Virginia Electric and Power Company*, 243 Va. 320 (1992).

has been ignored in other cases. Virginia-American suggested that the perfection standard is impractical, impossible, and unfair. Instead, the Company requested the Commission to extend the "for good cause shown" standard in Rule 6:2 of the procedural rules to the Rate Case Rules.

Hopewell contended that the Examiner erred, because in its view the case should be dismissed. It agreed with the finding that the Company violated the Rate Case Rules. Hopewell argued that Code of Virginia § 56-238 permits the Commission to suspend rates "for a period not exceeding 150 days from the date of filing" and Rule I(7) states that an application is not deemed filed until it is complete. Hence, until the application is complete, it cannot be considered filed and the suspension period cannot begin to run.

Alexandria supported the conclusions reached by the Examiner for the reasons contained in his Report. The Committee also supported the Examiner's Report. It pointed out that, at a minimum, the Company will be required to file revisions to Schedules 11, 12, 13, 14, 16, 32, 33, 35, and 36, following the discovery of the failure to separate the jurisdictional costs. The Committee alleges that almost 50% of Virginia-American's requested increase for the Hopewell District is unjustified, because it relates to service provided to Fort Lee. Staff and Protestants also discovered that Virginia-American has two non-jurisdictional customers[3] whose revenues exceed Fort Lee. The Committee argued, therefore, that the filing error was significant and that the Company could not be found to have met even a "substantial compliance" standard and certainly could not be found to be in full compliance with the Rules. The Committee pointed out that *Virginia Committee* holds that the Commission is not empowered "to ignore or waive its rules" and argued that anything short of a refund with interest would constitute a waiver of the Rule I(7).

In Case No. PUE820056,[4] in which it adopted Rule I(7), the Commission stated:

> Proposed Rule 7 has drawn much criticism from utilities. This rule states that an application shall not be considered filed by a utility for the purposes of § 56-238, Code of Virginia, unless it is in full compliance with the proposed rules. We find that utilities must comply with the letter and spirit of the rules before action can be taken on a Company's rate application. The information required by the rules is necessary for reasoned decision-making. If a utility provides the Commission with incomplete data that utility should not be allowed to use the date of the incomplete filing as the date from which to measure the 150 day period prescribed by Virginia Code § 56-238. Otherwise, applicants would have no practical incentive to insure the completeness of their initial filings. Other parties, as well as this Commission, should not have to devote time and money to efforts to obtain full and adequate information while also seeking to accommodate the running of the statutory time period. Hence, we adopt Rule I(7) which states:
>
> > Applications shall be filed in original with twenty (20) copies. An application shall not be deemed filed under § 56-238, Code of Virginia, unless it is in full compliance with these rules.

On November 1, 1995, Virginia-American filed a jurisdictional study, certain updated schedules, and supplemental testimony. Included in that filing were updated Schedules 11 and 16 as well as other schedules separating the Company's non-jurisdictional customers in Virginia-American's three operating districts.

NOW THE COMMISSION, having considered the record, the Examiner's Interim Report, the comments and exceptions thereto, as well as the applicable statutes and rules, is of the opinion and finds that the recommendation of the Hearing Examiner should be adopted. The Commission is of the opinion that the facts and circumstances of this case do not present a close question. The application of Virginia-American cannot be said to be even substantially in compliance with the requirements of the Rules. While the Commission's Rules do not require absolute perfection in filings, the Commission cannot tolerate applications as materially incomplete as that presented by Virginia-American in this proceeding. The application fails to conform to the "letter and spirit of the rules" and cannot therefore be properly deemed filed for the purpose of measuring the suspension period prescribed by Code of Virginia § 56-238. We further agree with the Examiner that dismissal, which is not required by the Rules, is not warranted by the facts of this case.

We will deem Virginia-American's application complete as of the date of its November 1, 1995, filing and allow the Company to put its proposed rates into effect on an interim basis subject to refund, with interest, as of December 1, 1995. Consistent with the Hearing Examiner's recommendation, in the final order issued at the conclusion of this proceeding the Company will be required to refund, with interest, all revenues billed under the interim rates for service provided prior to December 1, 1995; specifically, for the period commencing June 1, 1995, and ending November 30, 1995. Specific details as to the accomplishment of such refunds, as well as any other refunds deemed to be appropriate, will be provided by the final order.

Additionally, we note that the Company was directed to provide its customers with notice of its proposed increase pursuant to our Order entered on January 26, 1995. Because the Company's proposed rates have not been altered, no further notice will be required.

Accordingly, IT IS ORDERED that:

(1) Virginia-American's proposed rates shall be effective for service rendered on and after December 1, 1995, on an interim basis, subject to refund with interest;

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[3] Prince George County and the Federal Correctional Institute. (Tr. 7, 10.)

[4] *Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of adopting revised rules governing Financial Operating Reviews and utility rate case filings*, 1984 SCC Ann Rep 375, 377.

(2) Virginia-American shall refund, with interest, all revenues billed under the interim rates for service rendered during the period June 1, 1995, through November 30, 1995, to the extent that such revenues exceeded the amount that would have been billed under the rates in effect on May 31, 1995, had those rates properly remained in effect. Such refunds shall be made at the conclusion of this proceeding, together with any other appropriate refunds, under the terms and in the manner to be set forth in the Commission's final order; and

(3) This matter shall be, and is, remanded to the Hearing Examiner.

CASE NO. PUE950004
MARCH 9, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its fuel factor pursuant to Code § 56-249.6

ORDER ESTABLISHING 1995/1996 FUEL FACTOR

On January 17, 1995, The Potomac Edison Company ("Potomac Edison" or "the Company") filed with the Commission written testimony, exhibits, and proposed tariffs intended to decrease its zero-based fuel factor from 1.353¢ per kWh to 1.300¢ per kWh, effective with March 1995 cycle bills rendered on and after March 8, 1995.

By Order dated February 3, 1995, the Commission established a procedural schedule and set a hearing date for this matter. 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 protests were filed in this proceeding. On February 28, 1995, Commission Staff filed its testimony. Staff recommended that Potomac Edison's proposed estimate of energy sales and fuel prices used in the development of the proposed fuel factor be accepted as reasonable. Staff also updated the Company's recovery position to include actual data through December 31, 1994, which resulted in a further reduction of the fuel factor to 1.296¢ per kWh. In addition, Staff suggested that it may be appropriate in the near future to begin an evaluation of the desirability of continuing the current fuel factor methodology.

The Company did not file any rebuttal testimony. Consequently, at the March 7, 1995 hearing of this matter, the Company's application, testimony and exhibits as well as Staff's testimony were admitted into the record without cross-examination.

Upon consideration of the record in this case, the Commission is of the opinion that a decrease in Potomac Edison's zero-based fuel factor to 1.296¢ per kWh is appropriate, based in part on projected fuel expenses. Approval of this fuel factor, however, is not to be construed as approval of the Company's actual fuel expenses. For each calendar year, Commission 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 fuel factor proceeding, all of whom are provided an opportunity to comment and request a hearing on the report.

Based on Staff's Annual Report, in addition to possible comments and a hearing, 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 of the Company's next fuel factor.

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:

(1) That a zero-based fuel factor of 1.296¢ per kWh is hereby approved, effective with March 1995 cycle bills rendered on and after March 8, 1995; and

(2) That this case is continued generally.

CASE NO. PUE950004
SEPTEMBER 29, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its fuel factor pursuant to Virginia Code § 56-249.6

ORDER REVISING FUEL FACTOR

By order dated March 9, 1995, the Commission established a fuel factor of 1.296¢/kWh for The Potomac Edison Company ("Potomac Edison" or "the Company"), effective with March 1995 cycle bills rendered on and after March 8, 1995.

In accordance with the requirements of Virginia Code § 56-249.6, the Commission Staff has continued to monitor the Company's recovery of Virginia jurisdictional fuel expenses. In a report filed September 28, 1995, the Staff notes that the Company's actual fuel monitoring data through July 1995, combined with preliminary data for the month of August 1995 shows Potomac Edison's fuel expense overrecovery position to exceed 5.2% of actual year-to-date fuel expenses. Staff further notes that the fuel expense overrecovery position is projected to be 6.4% over actual fuel expenses at the end of the fuel year, February 1996, if the current fuel factor of 1.296¢/kWh remains operative.

The report states that the reasons for Potomac Edison's overrecovery are: unanticipated reductions in the price of spot market coal, lower system load during the early months of the fuel year that permitted carrying the load with the most efficient units, and favorable prices in off-system power transactions. Staff's report also states that the Company does not anticipate significant changes in the near term with respect to the lower level of fuel costs it has been experiencing. Accordingly, based on preliminary data in the most recent Company forecast, a revised fuel factor of 1.166¢/kWh would closely approximate Potomac Edison's anticipated fuel costs for the 1996/97 fuel year beginning March 1996.

In addition Staff's report represents that the reasoning and assumptions underlying the calculation of the proposed revised fuel factor have been discussed with Potomac Edison representatives, including the Company's counsel. The Staff report further represents that the Company agrees with Staff's recommendation to implement the revised fuel factor of 1.166¢/kWh effective with October 1995 cycle bills.

By letter dated September 28, 1995, Potomac Edison states that it supports Staff's recommendation to reduce the Company's current fuel factor to 1.166¢/kWh effective with October 1995 cycle bills. The Company also requests that the Commission enter an order establishing this result.

As a hearing was not requested by any party to this proceeding and is not required by Virginia Code § 56-249.6, our findings are based upon Staff's report as agreed by Potomac Edison. Therefore, upon consideration of the record, the Commission is of the opinion and finds that the Company's current zero-based fuel factor of 1.296¢/kWh should be reduced to 1.166¢/kWh. Accordingly,

IT IS ORDERED THAT a zero-based fuel factor of 1.166¢/kWh be, and the same is hereby, approved for Potomac Edison effective with October 1995 cycle bills rendered on and after October 5, 1995.

CASE NO. PUE950007
SEPTEMBER 7, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its cogeneration tariff pursuant to PURPA § 210

DISMISSAL ORDER

On January 17, 1995, the Potomac Edison Company ("Potomac Edison" or "the Company") filed an application for investigation to determine appropriate fuel factor and cogeneration rate tariffs pursuant to Virginia Code § 56-249.6. The filing was separated, and the Company's request to revise its cogeneration rate tariffs, "Schedule CO-G," was docketed as Case No. PUE950007.

On July 17, 1995, the Commission issued the final order ("Order") in Case No. PUE930066, which was the Company's previous application to establish its cogeneration tariff pursuant to PURPA § 210. In the Order, the Commission adopted, among other things, the recommendation of the Hearing Examiner that "Potomac Edison should be allowed to withdraw its Schedule CO-G filing made [in Case No. PUE950007] and should file its next Schedule CO-G in 1996 and biannually thereafter."

As a result, the Company filed a letter on August 1, 1995 requesting permission to withdraw its application to revise its cogeneration rate tariffs, Schedule CO-G, Case No. PUE950007.

NOW THE COMMISSION, having considered the matter, is of the opinion that Potomac Edison should be allowed to withdraw its application and that this matter should be dismissed from the Commission's docket of active cases. Accordingly,

IT IS ORDERED that this matter be dismissed from the Commission's docket of active cases and the papers herein be transferred to the files for ended causes.

CASE NO. PUE950013
MAY 3, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

For withdrawal of an application for a certificate of public convenience and necessity

ORDER GRANTING WITHDRAWAL OF APPLICATION

By cover letter dated February 24, 1995, The Potomac Edison Company ("Potomac Edison") filed an application for a certificate of public convenience and necessity to locate its rebuilt 34.5 kv Hazel substation within the service area of Rappahannock Electric Cooperative.

Since that filing, the General Assembly of Virginia amended § 56-265.2 of the Code of Virginia. This amendment, now in force under an emergency clause, altered the procedure for utilities seeking Commission approval for ordinary extensions or improvements outside of their authorized territory.

By letter dated April 6, 1995, Potomac Edison requested permission to withdraw its application in order to proceed under the amended statute.

NOW, THE COMMISSION, having considered the matter, finds that Potomac Edison's request to withdraw its application should be granted. Accordingly,

IT IS ORDERED that Potomac Edison's request to withdraw its application for a certificate of public convenience and necessity filed by cover letter dated February 24, 1995 is hereby granted. That there being nothing further to come before the Commission, this Case No. PUE950013 is closed and the papers shall be placed in the Commission's file for ended causes.

CASE NO. PUE950014
JUNE 2, 1995

NOTIFICATION OF
AMVEST OIL & GAS, INC.

To furnish gas service pursuant to Va. Code § 56-265.4:5

ORDER DISMISSING PROCEEDING

On February 28, 1995, AMVEST Oil & Gas, Inc. ("AMVEST" or "the Company") filed a notification, pursuant to Va. Code § 56-265.4:5, with the State Corporation Commission ("Commission") to furnish natural gas service to Buster Brown Apparel, Inc. ("Buster Brown"). On March 1, 1995, AMVEST filed information supplementing its notification. According to its notification documents, AMVEST is a Virginia corporation engaged in the exploration for and production of natural gas, near the Town of Wise in Wise County, Virginia. Buster Brown is a Michigan corporation engaged in the operation of a clothing factory at the Wise County Industrial Park in Esserville, Virginia.

On March 20, 1995, the Commission Staff filed a memorandum, advising that Buster Brown's facilities are not located within territory for which a certificate of public convenience and necessity has been granted and that, as of the time of receipt of AMVEST's notification, Buster Brown's facilities were not located within any area served by a municipal corporation that provided gas distribution service as of January 1, 1992.

On March 28, 1995, the Commission entered an order docketing the proceeding and notifying all public utilities providing gas service in the Commonwealth of AMVEST's plans to furnish gas service within the area identified in AMVEST's notification documents. The Commission also found that Buster Brown's facilities were not located within a territory for which a certificate of public convenience and necessity has been granted, and that, as of the time of the Commission's receipt of the notice provided for by Va. Code § 56-265.4:5, were not located within any area served by a municipal corporation that provided gas distribution service as of January 1, 1992.

Sixty days have now elapsed since the entry of the March 28, 1995 Order Docketing Proceeding and Providing Notice, and no jurisdictional public utility has filed an application to provide natural gas service within the area identified in the documents filed as part of the captioned notification.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that AMVEST has satisfied the requirements of Va. Code §§ 56-265.1(b)(4) and -265.4:5; that nothing further remains to be done in this proceeding; and that this matter should be dismissed.

Accordingly, IT IS ORDERED that the captioned notification shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein be made a part of the Commission's file for ended causes.

CASE NO. PUE950015
MAY 9, 1995

APPLICATION OF
APPALACHIAN POWER COMPANY

For a determination of scope of territory served

FINAL ORDER

On March 1, 1995, Appalachian Power Company ("Appalachian" or the "Company") filed with the Commission an application and supporting documents seeking a determination (i) that Appalachian has been allotted the right to serve the electrical needs of Georgia-Pacific Company's ("Georgia-Pacific") manufacturing facility located in Big Island, Virginia ("Big Island Facility" or the "Facility") since 1959, (ii) that Appalachian is entitled to serve the increased electrical needs of the Big Island Facility created by Georgia-Pacific's proposed expansion, and (iii) that the certificate of public convenience and necessity for Bedford County and related maps be amended to show the Big Island Facility as being within Appalachian's service territory.

Appalachian stated that it has provided service to the industrial premises owned and operated by Georgia-Pacific or its predecessor at Big Island for over 35 years. Appalachian noted that this service has been provided by means of two transmission lines and a substation that were approved by the Commission and were constructed for the sole purpose of serving the Big Island Facility.

Appalachian further stated that Georgia-Pacific has plans for a new expansion project at the Big Island Facility and that Georgia-Pacific has requested the Company to upgrade its existing electric service to the Big Island Facility to accommodate the proposed expansion project. In order to serve the increasing demands of the Facility, Appalachian further stated that improvements to its existing transmission and related facilities serving the Facility are necessary.

On March 16, 1995, the City of Bedford ("Bedford") filed with the Commission a protest and a motion for expedited discovery and hearing. Bedford objected to the relief requested by Appalachian in its March 1, 1995, application, claiming that such relief would violate the integrity of the territorial allocation of public utility service established under Virginia law and would deprive Bedford of the benefits of serving a major electrical customer. The protest alleged, inter alia, that Appalachian lacks a certificate of public convenience and necessity required by Va. Code § 56-265.3, and that Appalachian is, and has been, providing electrical service to the Big Island Facility for many years in violation of law. Bedford further claimed that Commission grants of authority to Appalachian to construct and operate transmission lines to a substation at the Big Island Facility do not permit Appalachian to provide electric service to the Facility. Bedford further alleged that Appalachian's provision of service to the present facility at Big Island, as well as to the expanded facility, also violates § 56-265.4:1, which requires a public utility extending its electric utility service into an area served exclusively by a municipal corporation on June 26, 1964, to obtain the agreement of that municipal corporation. Bedford stated that Bedford and Appalachian have not entered into such an agreement.

On March 21, 1995, the Commission entered its Order for Notice and Hearing and directed the Company to give notice to the public of its application, set the matter for hearing on May 1, 1995, and established a procedural schedule. The Commission also directed the Company and Bedford each to file a pre-trial memorandum of law and statement of facts in addition to a joint stipulation of facts.

An additional protest was filed by the Municipal Electric Power Association of Virginia ("MEPAV"). Statements were filed by Georgia-Pacific, the County of Bedford, Virginia, and Thomas M. Martin. Georgia-Pacific urged that Appalachian be authorized to continue as the exclusive source of electricity for the Big Island facility and its expansion.

At the May 1, 1995 hearing the Stipulation of Facts was received as an exhibit and the pre-filed testimony and attachments and schedules of Appalachian, Bedford, MEPAV, and Commission Staff, as well as the statement of Georgia-Pacific, were admitted into the record without cross examination. At that time Appalachian and Bedford presented a proposal for settling the issues before the Commission, to which Commission Staff and MEPAV posed no objection. Under the terms of the proposed settlement:

1. Appalachian will:

   a. construct a 115/69/12 kV substation (Skimmer Station);
   b. construct a 12 kV distribution line running from Skimmer Station to Georgia-Pacific;
   c. relocate its existing 69 kV South Lynchburg line; and
   d. construct all other transmission and/or distribution facilities necessary to reinforce service to Georgia Pacific.

2. Appalachian or Virginia Power will construct a 115 kV extension from Virginia Power's Altavista-Balcony Falls 115 kV transmission line to the Skimmer Station.

3. Bedford consents to all of the facilities set forth in paragraphs 1 and 2 above and consents to Appalachian providing service to Georgia-Pacific's industrial facilities (as expanded) located to the east of the CSX railroad tracks in Big Island. Bedford agrees to join with Appalachian to request the Commission to amend Appalachian's certificates of public convenience and necessity, including all associated maps, to show Georgia-Pacific's industrial premises in Big Island as being within Appalachian's service territory. Bedford agrees to waive its right to appeal any order of the Commission reflecting the foregoing and also waives any rights it may have under §§ 56-265.4:1 or 56-265.2 to object to the construction of the facilities described in paragraphs 1 and 2 above.

4. Appalachian will sell to Bedford certain portions of the equipment at the Skimmer Station at a purchase price equal to Appalachian's installed cost of such equipment. Bedford will lease back to Appalachian all of such equipment for a term and rental to be determined, provided that the rental will be equal to Appalachian's carrying costs for such equipment. The sale and lease back arrangement will be subject to approval pursuant to Chapter 5 of Title 56 of the Virginia Code (Utility Transfers Act) and other applicable law.

5. Appalachian will permit Bedford, at Bedford's expense, to construct a 12 kV distribution line emanating from the Skimmer Station to serve certain distribution customers of Bedford in the Big Island area. Appalachian will also permit Bedford, at Bedford's expense, to establish a 69 kV transmission connection at the Skimmer Station.

6. Appalachian and Bedford agree that all of the foregoing will have no adverse operational or economic effect on Appalachian's service to Georgia-Pacific's current or expanded facilities.

In addition, Appalachian, Bedford, and MEPAV jointly requested the Commission to find that Appalachian may serve the electrical needs of Georgia-Pacific's industrial facilities east of the CSX railroad tracks in Big Island, Virginia, and to amend Appalachian's certificate of public convenience and necessity for Bedford County and all associated maps, including map P-36, to show Georgia-Pacific's real property currently owned east of the CSX railroad tracks in Big Island as being within Appalachian's service territory.

THE COMMISSION, upon consideration of the Stipulation of Facts, the prefiled testimony with attachments and schedules, the statement of Georgia-Pacific, the settlement between Appalachian and Bedford, and the representations of counsel, is of the opinion and finds that it is in the public interest for Appalachian to serve the Georgia-Pacific property east of the CSX railroad tracks in Big Island, Virginia. Accordingly,

IT IS ORDERED:

(1) That, pursuant to Va. Code § 56-265.3, we allot to Appalachian the service territory comprising Georgia-Pacific's real property currently owned east of the CSX railroad tracks in Big Island, Virginia;

(2) That Appalachian's certificate of public convenience and necessity for Bedford County and all associated maps, including P-36, be amended to show Georgia-Pacific's real property currently owned east of the CSX railroad tracks in Big Island, Virginia as being within Appalachian's service territory; and

(3) That this matter be dismissed from the Commission's docket.

CASE NO. PUE950017
NOVEMBER 27, 1995

VIRGINIA ELECTRIC AND POWER COMPANY,
Petitioner
v.
CITY OF FALLS CHURCH, VIRGINIA,
Defendant

FINAL ORDER

On March 13, 1995, Virginia Electric and Power Company filed a Petition for Declaratory Judgment against the City of Falls Church. The Petition alleges that the City intends to oust Virginia Power from serving electric utility customers in Falls Church and to expropriate the Company's property used to serve those customers. We have given the City ample opportunity to respond to these allegations, but it has failed to do so.

Virginia Power moved for summary judgment in this case on August 2, 1995, and, as we ordered, our Staff responded to the motion on August 31. The City again failed to contest the petition, although we permitted it an additional opportunity to appear and defend. Virginia Power filed a reply to the Staff on September 8. Having considered the Company's petition and motion, the Staff's response thereto, and the Company's reply, we conclude that we should issue a declaratory judgment.

Based upon the record before us, we find that there is an actual controversy between the City and the Company. Virginia Power has provided service to the citizens and businesses of Falls Church for many years, pursuant to a certificate of public convenience and necessity, and it owns and maintains a distribution system to provide this service. Falls Church has no electric distribution system, though it seeks to become a distributor, or retailer, by utilizing Virginia Power's facilities in Falls Church. The City has disavowed any intent of operating a distribution system and has stated it "would purchase the electric meters and nothing more."[1] Falls Church has solicited bids for bulk power supply from several suppliers, and it has formally sought transmission service from Virginia Power. It has also stated an intention to acquire the facilities it seeks without approval of this Commission. Notwithstanding the Mayor's statement that the City is only studying the matter, an actual controversy exists in this case based on the uncontested allegations of the Company.

Based upon the record, we find the facts necessary to conclude that § 25-233 of the Code of Virginia applies here. First, Virginia Power and Falls Church are both "corporations possessing the power of eminent domain" within the meaning of § 25-233. Second, Falls Church seeks to acquire Virginia Power property,[2] and Virginia Power refuses to transfer it voluntarily.[3] Under the Company's allegations, the City's plan requires a physical change in Virginia Power facilities, many of which are located on private property -- not in the streets and other public property subject to City franchise under § 56-14. The City's plans will require it to expropriate Virginia Power's meters and other facilities, and it has committed itself to acquire the facilities necessary to its purposes.

In light of the uncontested facts alleged in the petition, it is clear that the City's plans will result in the expropriation of Virginia Power property. Because Virginia Power does not acquiesce in the acquisition, the only action available to the City is to condemn Virginia Power property in order to acquire it. The Commission, therefore, enters judgment finding that the plans contemplated by Falls Church would require our approval under § 25-233. In addition, we will close this case, but without prejudice to either Virginia Power or the City to raise, in any future case, issues not expressly decided here.

Accordingly, the Commission hereby DECLARES that it has jurisdiction over the City of Falls Church in this matter, and that the City must file an application for our approval under § 25-233 before it implements plans to condemn Virginia Power facilities within the City of Falls Church.

There being nothing further to be determined in this matter, the case is dismissed, and the papers herein shall be placed in the file for ended causes.

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[1] See "An Open Letter to Falls Church Citizens and Customers of Virginia Power," Virginia Power Motion for Summary Judgment, Attachment A.

[2] Virginia Power alleges, and the City has not denied, that Falls Church seeks to "expropriate" Virginia Power property. In the circumstances, we take as admitted the fact that the City seeks to acquire Virginia Power facilities to the extent necessary to achieve its goals. St. Paul Mercury Ins. Co. v. Nationwide Mut. Ins. Co., 209 Va. 18 (1968).

[3] Even if Virginia Power were amenable to transferring property to the City, Virginia Power would be required to obtain authorization from the Commission pursuant to Virginia Code § 56-89 in order to dispose of utility property.

CASE NO. PUE950020
AUGUST 4, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For modification of Underground Electric Service Plan F

FINAL ORDER

On March 30, 1995, Virginia Electric and Power Company ("the Company" or "Virginia Power") filed an application with the State Corporation Commission ("Commission") to modify a part of Underground Electric Service Plan F ("the Plan"), the portion of the Company's terms and conditions of service which deals with installation of distribution and service facilities in areas not designated by the Company as underground distribution areas. Specifically, Virginia Power proposed to revise II. Residential, A.6 of the Plan, which deals with the conditions under which townhouses, condominiums, and apartment projects may receive underground electric service at no cost, in the following manner:

> 6. For townhouses, condominiums and apartment projects, there ~~is~~ are not less than four units per acre, ~~or more than six services per service lateral~~ there are no electric motors rated at 15 horse power or more, and all electric services provided to the structure are single-phase.

The Company proposes its revision to Plan F coincident with its preparation of a new Service Lateral Policy. The Company did not seek Commission approval of its new Service Lateral Policy.

In its Order of April 24, 1995, and its Amending Order of April 28, 1995, the Commission docketed the matter, directed the Company to publish notice of its application in newspapers of general circulation throughout its service territory and invited the public to file comments or requests for hearing on the application on or before June 30, 1995. The Commission also directed its Staff to file a report in the proceeding on or before July 31, 1995.

On July 20, 1995, the Company filed proof of the publication of the notice prescribed by the April 24 and April 28 Orders. No comments or requests for hearing were filed by the public.

On July 27, 1995, the Staff filed its Report in the captioned matter and recommended approval of the Company's proposal. In its Report, the Staff noted that under the Company's existing Plan F, the Company charges builders of multi-family homes a customer charge equal to the cost difference between standard overhead and underground service whenever there are seven or more meters per lateral. If there are six or fewer meters, no customer charge is imposed. Also, under its current policy, Virginia Power generally provides one service lateral to each fire walled section of a building. Because of recent changes to the Uniform Statewide Building Code which relaxed the standard for fire wall construction, more fire walls have been built, and the number of service laterals increased. As the Report explains, under the Company's new Service Lateral Policy, with certain exceptions, only one service lateral per building will be constructed. The Staff observed that without a change in Underground Electric Service Plan F, there could be a substantial increase in the number of developments that would incur a customer charge for underground service. Staff concluded that the proposed changes in Underground Electric Service Plan F should permit the Company to provide underground service to new multi-family developments in a cost efficient manner, while having no detrimental effect on the quality of service.

NOW, UPON CONSIDERATION of the Company's application, the Staff's Report, and applicable Virginia statutes, the Commission is of the opinion and finds that the Company's application should be granted and that Virginia Power may implement its proposed revisions to Underground Electric Service Plan F, effective for service rendered on and after the date of this Order.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power's March 30, 1995 application in the captioned matter is hereby approved.

(2) The March 30, 1995 revision to Virginia Power's Underground Electric Service Plan F is hereby made effective for service rendered on and after the date of this Order.

(3) This matter is dismissed, and the papers filed herein made a part of the Commission's files for ended causes.

CASE NO. PUE950022
SEPTEMBER 14, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For a waiver of gas pipeline safety requirements found in 49 C.F.R. Part 193

ORDER GRANTING REQUEST TO WITHDRAW

On April 10, 1995, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed documents with the Commission requesting a waiver of the gas pipeline safety standards found at 49 C.F.R. Part 193 which regulate Liquefied Natural Gas ("LNG") facilities. In its application VNG requested the Commission to find that its natural gas vehicle fueling stations using LNG storage ("LNGV fuel station") were not subject to the regulations found at 49 C.F.R. Part 193. VNG's application explained that VNG wished to redesign its LNGV facility so that "boil-off" gas from the LNG storage vessel could be

delivered to VNG's distribution piping system. VNG asserted that its LNGV facilities were not designed or constructed to comply with Part 193 and that it would be impractical to meet the requirements of Part 193, considering the planned use and capacity of these facilities.

On May 2, 1995, the Commission issued an Order docketing the case, requiring the Company to publish notice of its application, and inviting interested persons to file comments or requests for hearing on the application on or before June 30, 1995. The Order also directed the Staff to file a report on the application and to serve a copy of its report on all parties of record.

On June 8, 1995, VNG filed proof of the publication and notice required by the May 2 Order. No comments or requests for hearing were filed.

In its Motion dated September 13, 1995, the Company, by counsel, requested leave to withdraw the captioned application. In its Motion, VNG indicated its intent to operate its LNGV facilities without any physical connection to its distribution system. The Company represented that Staff did not object to the withdrawal of VNG's application.

NOW, UPON consideration of the foregoing, the Commission is of the opinion and finds that VNG's Motion to withdraw should be granted, the Company should be permitted to withdraw its application, and this proceeding should be dismissed.

Accordingly, IT IS ORDERED that the Company's Motion to withdraw its application is granted, and there being nothing further to be done herein, this matter is hereby dismissed.

CASE NO. PUE950024
APRIL 27, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
CINDY CATHERS, et al.
v.
LUNDIE UTILITIES, INC.

PRELIMINARY ORDER

In a letter dated March 17, 1995, Lundie Utilities, Inc. ("Lundie" or "the Company") notified its customers and the Commission's Division of Energy Regulation, pursuant to the Small Water or Sewer Public Utility Act (Va. Code § 56-265.13:1, et seq.) of its intent to increase its rates for water service, effective May 1, 1995.

By April 20, 1995, the Commission had received a petition with objections from approximately 74% of Lundie's customers. In a letter attached to the petition, customers stated that no increase in rates is warranted due to the poor quality of water provided by the Company.

NOW THE COMMISSION, having considered the customers' objections, is of the opinion that a hearing should be held pursuant to Virginia Code § 56-265.13:6. A procedural order establishing, among other things, the date 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 60 days, and that such rates should be declared interim and subject to refund, with interest, following the period of suspension. Further, the Company should file certain financial information based on the proposed test year on or before June 1, 1995. Accordingly,

IT IS ORDERED:

(1) That this matter be, and hereby is, docketed as Case No. PUE950024;

(2) That the increase in the Company's rates is hereby suspended for a period of 60 days, or through June 29, 1995;

(3) That 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 and after June 30, 1995;

(4) That Company shall file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, on or before June 1, 1995, 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 1994 Federal Income Tax return, or, in the alternative, the Company's most-recent tax return; and

(5) That this matter shall be continued subject to further order of the Commission.

CASE NO. PUE950031
DECEMBER 13, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For an Annual Informational Filing

INTERIM ACCOUNTING ORDER

On December 1, 1995, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed a Motion for Expedited Treatment and Issuance of Interim Accounting Order requesting that the Commission allow revised funding levels for nuclear decommissioning costs to be included in the Company's cost of service, effective September 1, 1995. The Company asks that the Commission issue an Interim Accounting Order no later than December 31, 1995, to approve the increased funding levels, pending issuance of a final order in this case. The Company requests that the funding levels approved in the Interim Accounting Order reflect the amount required by the DECON 2 scenario, which are the funding levels requested in the Company's original Annual Informational Filing ("AIF").

In its Motion, the Company states that, under the applicable Internal Revenue Service regulations, a Commission order approving increased funding levels is required prior to December 31, 1995, in order for additional amounts to be funded to the nuclear decommissioning qualified trust for the calendar year 1995. In its AIF, the Company requested new annual funding levels, as follows:

North Anna 1	$6,125,088
North Anna 2	$5,874,075
Surry 1	$8,791,632
Surry 2	$8,759,773

The Company has provided all assumptions it has relied on to calculate the higher funding levels, including the assumed after-tax return.

In its Response filed on December 8, 1995, the Commission Staff indicated that it did not object to entry of an interim order, provided that it could reply to the merits of the Company's response and pending continued study of the Company's nuclear decommissioning costs.

NOW, upon consideration of the foregoing, we are of the opinion and find that Virginia Power's Motion should be granted and that the increased funding levels should be approved for inclusion in cost of service, effective September 1, 1995, on an interim basis, pending issuance of a final order in this case.

Accordingly, IT IS ORDERED that:

(1) The new annual funding levels per nuclear unit, which will be effective September 1, 1995, pending issuance of a Final Order herein, are 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) The funding levels set forth in Ordering Paragraph No. (1) are based on the assumptions contained in the Company's initial filing in this case, which was submitted on April 28, 1995, as well as on the after-tax return assumptions filed with the Motion for Expedited Treatment and Issuance of Interim Accounting Order.

(3) This Interim Accounting Order will be effective until further order of the Commission.

(4) This case is continued generally until further order of the Commission.

CASE NO. PUE950032
JUNE 27, 1995

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For No Net Change in its Fuel Rate

ORDER GRANTING MOTION AND ACCEPTING FUEL RATE CLAUSE

On May 15, 1995, Delmarva Power & Light Company ("Delmarva" or "the Company") filed its application and supporting documents requesting no net change in its current fuel factor of 1.712 cents per kWh, which is accomplished by decreasing the in-period factor by .049 cents per kWh and increasing the correction factor by the same amount. Minor language revisions to the Company's tariff were filed on June 21, 1995.

Delmarva also requests a tariff change relating to its stock purchase agreement with PECO Energy Company ("PECO") for Conowingo Power Company ("Conowingo"). The Company requests that all changes be effective with the billing month of July, 1995.

By way of factual background, on May 24, 1994, Delmarva and PECO entered into a stock purchase agreement providing for Delmarva's purchase of Conowingo from PECO. PECO and an affiliated company, Susquehanna Electric Company ("Susquehanna") currently supply over 90 percent of Conowingo's capacity and energy requirements under a wholesale power supply arrangement ("Tri-Partite Agreement") reviewed and approved by the Federal Energy Regulatory Commission.

Delmarva and PECO have also entered into a power purchase agreement which provides for Delmarva's purchase of capacity and energy from PECO beginning on the latter of the closing on the common stock purchase or February 1, 1996, and ending May 31, 2006 ("the Power Purchase Agreement"). In addition, on May 24, 1994, Delmarva, Conowingo, PECO, and Susquehanna entered into an agreement concerning the Tri-Partite Agreement. If the closing of the transaction occurs prior to February 1, 1996, Delmarva will assume Conowingo's rights, responsibilities, and liabilities under the Tri-Partite Agreement until February 1, 1996. At the latter of the closing, or February 1, 1996, the Tri-Partite Agreement will terminate, and Delmarva will begin purchasing capacity and energy from PECO under the Power Purchase Agreement. As power purchased under the Power Purchase Agreement will be integrated into the Delmarva system, and will exceed the needs of the Conowingo service area, Virginia customers will share in the fuel savings benefits inherent in the agreement.

In this proceeding, Delmarva requests that the Commission approve a change in its fuel factor tariff that specifically excludes from the fuel factor calculation all purchases and charges to be incurred pursuant to the Tri-Partite Agreement among Delmarva, Conowingo, PECO, and Susquehanna and all sales of power to customers located in the Conowingo service area from the date of Delmarva's acquisition of Conowingo's common stock until the termination of the Tri-Partite Agreement. Delmarva states that this exclusion is appropriate in view of the relatively high cost of this power supply agreement, the fact that capacity and energy provided under the Tri-Partite Agreement are intended exclusively to serve customers in the Conowingo service area, and Delmarva's recovery of the cost of the Tri-Partite Agreement from Conowingo customers.

On June 22, 1995, Commission Staff filed a motion requesting that Delmarva's fuel rate clause be accepted as filed, effective with the billing month of July, 1995. In support of its motion, Staff states that Delmarva's fuel factor projections appear reasonable and that the requested tariff changes do not result in a rate increase. In addition, Staff supports Delmarva's exclusion of all purchases and charges it expects to incur under the Tri-Partite Agreement and Delmarva's proposal to include charges for power received from PECO under the Power Purchase Agreement in its calculation of the fuel factor. Accordingly, the Staff requests that the proposed tariff revisions be allowed to take effect on the date specified on the filed tariff schedule without notice or hearing, pursuant to Va. Code §§ 56-40 and 56-240. Staff further states that it will monitor continuously the Company's actual fuel expenses as required by Va. Code § 56-249.6 and will notify the Commission should Staff find that Delmarva is in an over-recovery position by more than five percent or is likely to be so. In addition, counsel for Staff represented that Delmarva does not object to this motion.

The Commission, upon consideration of this matter, is of the opinion and finds, that Staff's motion should be granted and that the proposed fuel rate clause, including a zero based fuel factor of 1.712¢ per kwh that is based in part on projected fuel expenses, shall be accepted as filed, effective with the billing month of July, 1995. Acceptance of this fuel factor, however, 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 which addresses, among other things, the appropriateness and reasonableness of the Company's fuel expenses. Staff's results are documented in an annual report, "Staff's Annual Report". A copy of the Staff's Annual Report is sent to the Company and to each party who participated in the Company's related fuel factor proceedings, all of whom are provided an opportunity to comment and request a hearing on the report. Based on Staff's Annual Report, in addition to possible comments and a hearing, the Commission enters an order entitled "Final Audit for The Twelve-Month Period Ending December 31, 199__, Fuel Cost-Recovery Position," hereinafter referred to as "Final Audit Order." Notwithstanding any findings or acceptance 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 under-recovery 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 cost or has made decisions resulting in unreasonable fuel cost, the Company's recovery position will be adjusted. This will be reflected in the recovery position of the Company's next fuel factor. We reiterate that acceptance of Delmarva's fuel rate clause is not to be construed as a finding, final or otherwise, and that this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED:

(1) That Delmarva's fuel rate clause is hereby accepted as filed, effective with the billing month of July, 1995; and

(2) That this case is continued generally.

CASE NO. PUE950053
SEPTEMBER 12, 1995

NOTIFICATION OF
AMVEST OIL AND GAS, INC.

To furnish gas service pursuant to Virginia Code § 56-265.4:5

ORDER DISMISSING PROCEEDING

On June 15, 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 Barnette Enterprises, Inc.'s ("Barnette") Double Kwik Shop No. 21, in Wise, Virginia. On June 26, 1995, AMVEST filed information supplementing its notification.

On July 5, 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 Barnette 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. The Order determined that the furnishing of natural gas service to these facilities was not prohibited.

Sixty days have now lapsed since the entry of the July 5, 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 here, this matter should be dismissed.

Accordingly, IT IS ORDERED THAT this matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein be made a part of the Commission's file for ended causes.

CASE NO. PUE950054
DECEMBER 14, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of a pilot program to promote the installation of high-efficiency gas heating and cooling equipment

ORDER AUTHORIZING PILOT PROGRAM

On June 26, 1995, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application requesting approval of a pilot program to promote the installation of a high-efficiency gas appliance called the York Triathalon Heating and Cooling System ("Pilot" or "Program"). VNG proposes to offer the Pilot to residential and small commercial markets in its service territory over a two-year period. Under the proposed Program, VNG would provide incentives to customers to purchase high-efficiency natural gas conditioning.

The Company proposes to limit the Program to 100 participants based on a first come, first serve basis. An incentive of $1,000 will be paid to participating customers and the total cost of the Pilot is projected to be $135,000. VNG proposes to seek recovery of the costs associated with the Program within the context of its future rate cases.

VNG further states that it will use the gas consumption data related to the installations to evaluate the cost effectiveness of the Program for compliance with the Commission's conservation load management orders in Case No. PUE900070. The Company asserts that the results of these evaluations will provide it with the necessary information to determine whether the Pilot should be made a permanent demand-side management program. VNG also notes that, if approved, the Program is not expected to significantly affect VNG's sales and that the impact on alternative energy suppliers should be small.

On August 11, 1995, the Commission entered a procedural order in this docket providing for publication of notice of the contents of the application and establishing a period for the receipt of public comments or requests for hearing. No comments or requests for hearing were received by the Commission's Document Control Center.

On October 26, 1995, the Commission Staff filed its Report addressing the proposed Program. Commission Staff recommends approval of the Pilot as filed. Staff states that based upon its analysis of the Program's technology, promotion of efficiency standards, eligibility, market potential, pilot scale, implementation costs, and rebate incentive design, the Program is reasonably designed to meet its pilot purpose. The Staff also states its belief that the Pilot is likely to result in positive impacts on participating customers' bill savings, on VNG's on-peak load control, and on environmental protection. Staff further states that data gathered from the Program will enable the Company to conduct appropriate cost/benefit analysis to determine whether a full-scale plan for the Program should be submitted to the Commission for approval.

Staff recommends that VNG have an efficient monitoring and evaluation plan to analyze data gathered from the Program. Staff suggests that the Company be required to provide the results of the Program and associated analysis, including cost/benefit analysis, within six months after the Pilot's expiration. Staff feels that the analysis should include, but not be limited to, an evaluation of the Program's load impact on the systems of VNG and

alternative energy suppliers in terms of energy consumption, and summer and winter demand; environmental impacts on society; market acceptance and future market potential; customer satisfaction and bill savings; itemized and total costs; annual accumulative revenue loss; efficiency of operation; and snap-back effect.

THE COMMISSION, having considered the record in this matter, finds that the proposed Program should be approved. It is in the public interest for VNG to utilize the Pilot described in its application in order to gather data. Such information will enable the Company and the Commission to determine whether the program is feasible and should be implemented on a permanent basis.

Although the Program is approved on an experimental basis, we make no findings concerning the reasonableness or recovery of its associated costs. Recovery of these costs is more properly the subject of a subsequent proceeding in which the Company may offer evidence identifying and supporting the expenditures associated with its program. Accordingly,

IT IS ORDERED THAT:

(1) The Program proposed by VNG in its application is hereby approved for a period of two years from the date of this Order.

(2) The Company shall file a final report and analysis of the Program not later than six months following the end of the implementation period and not later than July 1, 1998, including, but not limited to, the data recommended in Staff's Report.

(3) This matter be continued until further order of the Commission.

CASE NO. PUE950056
AUGUST 10, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PO RIVER WATER & SEWER COMPANY

ORDER DISMISSING

On August 1, 1995, the Staff of the State Corporation Commission ("Staff") filed its Petition for Declaratory Judgment, Injunction and Additional Relief. The Commission entered an order permitting Po River Water & Sewer Company to file a response to the petition and permitting Staff to file a reply. Those responsive pleadings have now been filed. Based upon the representations contained therein, that Po River will not implement, on August 15, 1995, the rate increase it had proposed and that it will not implement any rate increase without providing additional notice to its customers, and that the Staff now views the relief it requested as unnecessary, the Commission is of the opinion that the matter is now moot and that the Petition should be dismissed. Accordingly, IT IS ORDERED that the Petition for Declaratory Judgment, Injunction and Additional Relief is DISMISSED.

CASE NO. PUE950058
AUGUST 3, 1995

APPLICATION OF
SHENANDOAH GAS COMPANY

For authority to Increase its Rates and Charges for Gas Service and to Revise its Tariffs

PRELIMINARY ORDER

On July 7, 1995, Shenandoah Gas Company ("Shenandoah" or "the Company") filed an expedited rate application, supporting testimony, and exhibits for an 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, before revenue credits related to the margin sharing adjustment mechanism and purchased gas adjustment credits, of $1,183,553, representing an increase of 8.41% in annual operating revenue. Shenandoah has filed adjusted operating and financial data for the twelve months ended March 31, 1995 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.

Further, in its application, Shenandoah proposes to change certain portions of its miscellaneous fees and charges. The Company proposes to increase the charge for reconnection of service after service has been discontinued within the prior twelve months to $9 multiplied by the number of months of discontinued service, not to exceed $36. The Company also proposes to increase the charge for dishonored checks to $10.

Additionally, Shenandoah proposes revisions to two tariff provisions as required by the Commission's Final Order in Shenandoah's last rate case, Case No. PUE910037. The Company proposes to revise Rate Schedule D to provide for a cost-based standby sales service, and to revise its Actual Cost Adjustment ("ACA") by adding a provision to recognize demand revenues related to Standby Sales Service under Rate Schedule D as credits to the cost of gas to firm customers.

NOW HAVING CONSIDERED the application filed by Shenandoah, 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 on full investigation and hearing; that Shenandoah should be allowed to implement its proposed rates on an interim basis, subject to refund with interest; and that the captioned matter should be docketed.

Accordingly, IT IS ORDERED THAT:

(1) The application filed by Shenandoah is docketed and assigned Case No. PUE950058.

(2) The proposed increase in rates and proposed tariff revisions designed to produce additional gross annual revenues, before revenue credits related to the margin sharing adjustment mechanism and proposed purchase gas adjustment credits, of $1,183,553 shall be applied to service rendered on and after August 6, 1995, and that such interim increase in rates shall remain subject to refund with interest until such time as the Commission has determined this matter.

(3) This matter is continued until further order of the Commission.

CASE NO. PUE950059
DECEMBER 4, 1995

APPLICATION OF
A&N ELECTRIC COOPERATIVE

For approval of Excess Facilities Tariff "Schedule EF"

FINAL ORDER

On July 12, 1995, A&N Electric Cooperative ("A&N" or the "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval of its Excess Facilities Tariff Schedule, designated "Schedule EF." The Cooperative requested authorization to offer additional standard and non-standard utility facilities, including but not limited to, whole house surge protectors. A&N noted that due to the frequency of summer storms accompanied by severe lightning in its service area, it desired to provide the surge protectors immediately under Schedule EF and if necessary, the charges collected would be subject to refund under bond.

Under A&N's proposal, surge protectors would be offered to all of the Cooperative's customers. The original cost for a surge protector is $99.05 per unit, with the monthly charge per customer under Schedule EF being $2.50 per month, in addition to the regular charges for electricity usage. For additional excess facilities under Schedule EF, the Cooperative proposed to charge either Rate 1 or Rate 2. Rate 1 designates a monthly charge based on percentages of the estimated new installed cost of all facilities provided by the Cooperative. Rate 2 provides for a one time charge equal to the estimated new installed cost of all facilities provided by the Cooperative plus a monthly charge based on a lower percentage than Rate 1.

On July 25, 1995, the Cooperative filed a bond to secure its rate request.

By Order entered July 28, 1995 ("Order"), the Commission allowed A&N's proposed tariff revision to become effective, on an interim basis, subject to refund, for service rendered on and after July 28, 1995. The Order also required notice to the public and established a procedural schedule for the receipt of comments and requests for hearing. Further, the Order directed the Commission Staff ("Staff") to file a report concerning the application.

No comments or requests for hearing were received. On August 21, 1995, A&N filed proof of publication of the notice prescribed by the Order. The Staff timely filed its Staff Report on October 19, 1995.

In its Report, the Staff recommended that Schedule EF be implemented on a permanent basis, subject to certain modifications. First, the Staff recommended that the charges for the excess facilities be based on the actual installed costs rather than estimated installed costs since the actual costs would be available to the Cooperative. Second, the Staff noted that the abbreviation "CPR" should be replaced with the words "Continuing Plant Records." Finally, the Staff urged that a minimum term of service of five years be imposed on the customer obtaining services under Schedule EF so that the Cooperative would be protected against stranded investment under Rate 1.

On November 13, 1995, the Cooperative filed exceptions to the Staff Report. A&N proposed to clarify when Rates 1 or 2 would apply, stating that "[i]f the Cooperative funds the replacement of the facilities where the customers made the initial investment and was paying under Rate 2, the customer's bill will no longer be determined by Rate 2, but will be calculated under Rate 1." The Commission finds that the Cooperative's proposal is appropriate and the Cooperative should amend the tariff to reflect this clarification. The Cooperative also objected to the Staff's recommended five-year minimum term of contract, asserting that a five-year term would be inflexible and could be administratively expensive. The Cooperative also disagreed with Staff's proposed use of actual versus estimated installed costs because, according to the Cooperative, derivation of the actual cost of a facility would "place an undue burden on the Cooperative and an unnecessary expense on the consumer." The use of actual costs was also not in accordance with all its other tariffs on file. Finally, A&N pointed out that the correct replacement for "CPR" should be "Continuing Property Records." The Commission finds that the Cooperative should amend Schedule EF by replacing the term "CPR" with the words "Continuing Property Records."

NOW, UPON consideration of the application, the Staff's Report, and applicable statutes, the Commission is the opinion and finds that A&N should be permitted to implement Schedule EF on a permanent basis, as modified herein. We understand the Cooperative's need to address any potential stranded investment on a case specific basis and therefore we will not impose a five-year contract term. We will also permit A&N to use charges based on estimated costs for services provided under this Schedule. However, we will continue to scrutinize this Schedule in order to see if further modification is necessary to protect the general body of A&N's customers from costs attributable to this Schedule alone. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Cooperative shall revise Schedule EF by replacing the term "CPR" as it appears in the Schedule with the words "Continuing Property Records," and shall implement the revisions clarifying when Rates 1 and 2 will apply.

(2) The Cooperative's Schedule EF, as modified herein, shall be implemented on a permanent basis.

(3) This matter shall be dismissed and placed in the Commission's file for ended causes.

CASE NO. PUE950060
JULY 18, 1995

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In re, Investigation of Spent Nuclear Fuel Disposal

ORDER ESTABLISHING INVESTIGATION

The disposal of nuclear waste has long been recognized as an issue with economic, technological, environmental, and political ramifications. As early as 1979, the Commission characterized the disposal of spent nuclear fuel as a national as well as a state controversy.[1] Events and occurrences since the early 1980's, particularly those of the last several years, have led the Commission to conclude that it should now investigate certain spent nuclear fuel storage and disposal issues.

In 1982, after more than a decade of evolving national policies and studies to evaluate ways to store and dispose of radioactive waste safely, Congress adopted the Nuclear Waste Policy Act ("Act"). The Act provided a framework for the storage and disposal of spent nuclear fuel ("spent fuel") and high-level radioactive waste ("HLW"), of domestic origin, generated by civilian nuclear power reactors. Among other things, the Act established procedures for transporting, storing, and disposing of spent fuel and HLW in a deep geologic repository ("repository") and provided a mechanism for financing the cost of such activities.

The centerpiece of the Act was the permanent repository. The Act provided for a systematic site selection process. Candidate sites were to be identified and evaluated, subjected to Presidential review on recommendation of the Secretary of Energy, and considered in a public hearing. This process was to be subject to a final Congressional review. The Act also created the Office of Civilian Radioactive Waste Management ("OCRWM") within the U.S. Department of Energy ("DOE") to site, construct, and operate the repository.

The Act was amended in 1987. Among other things, the 1987 Amendments limited the repository site evaluation to Yucca Mountain, Nevada. The effect of the 1987 Amendments was to make Yucca Mountain the only site available for study, but not to assure its selection.

To provide financing for waste disposal activities, the original Act established the Nuclear Waste Fund ("NWF" or "Fund"). The NWF was to operate on a full-cost recovery basis, whereby the federal government's costs for developing and operating the repository were to be fully funded by fees collected from the generators and owners of spent fuel and high-level waste. The Act also provided for an annual assessment of the adequacy of the waste disposal fees to recover waste disposal program costs.

The Act authorized DOE to enter into contracts with any utility that generates spent fuel. Under the terms of the contracts, DOE collects from each utility signing the contract a fee, currently set at 1 mill per kilowatt-hour of electricity generated and sold from each nuclear power reactor. All proceeds from these fees must be deposited into the Nuclear Waste Fund. In return, DOE has the responsibility for the transport, storage, and permanent disposal of the spent fuel beginning not later than January 31, 1998. Virginia Electric and Power Company ("Virginia Power") entered into such a contract with DOE for the disposal of spent fuel from the Surry and North Anna nuclear power plants. Although no other utilities serving Virginia's ratepayers have signed similar contracts with DOE, several do have financial responsibilities for the disposal of spent fuel as a result of contracts between DOE and the operators of the nuclear power plants that act as agents on behalf of, or supply energy to, these utilities.[2]

The Act, as adopted in 1982, set forth a schedule for the development of a repository and specified that disposal of spent fuel must begin no later than 1998. The DOE's 1985 Mission Plan reflected this, but DOE's 1987 Draft Mission Plan Amendment unilaterally delayed the repository opening date by five years. The DOE extended the delay to 12 years in 1989, again without Congressional action. Last year DOE confirmed in its program plan that the targeted date of completion for an operational, permanent repository is 2010.[3] After its twelfth year, DOE's program appears to be at least 12 years behind schedule. In spite of the delays in the development of a permanent repository and the requirement to begin disposing of spent fuel no later

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[1]Case No. 19960, 1979 S.C.C. Ann. Rept. 164.

[2]Delmarva Power and Light ("Delmarva Power") is responsible for spent fuel disposal costs because of its 7.5 percent ownership of the Peach Bottom nuclear plant and 7.41 percent ownership of the Salem nuclear plant. Electric cooperatives incur spent fuel disposal costs as a result of purchasing power from Virginia Power or Old Dominion Electric Cooperative which owns 11.6 percent of the North Anna nuclear plants. Appalachian Power Company ("Apco") incurs spent fuel disposal costs by virtue of the Interconnection Agreement among the affiliates of the American Electric Power system, through which a portion of Apco's energy may be supplied by Indiana and Michigan's Cook nuclear power plant.

[3]1 U.S. Department of Energy, *Civilian Radioactive Waste Management Program Plan*, 4 (December 19, 1994).

than January 31, 1998, timely construction of a centralized interim storage facility is effectively prohibited by the Act,[4] and no development work for such a facility is included in DOE's current program plan.[5]

Through a Notice of Inquiry published on May 25, 1994, DOE sought to elicit the views of affected parties regarding the continued storage of spent fuel at reactor sites beyond 1998.[6] After analyzing public comments received in response to the Notice of Inquiry, DOE concluded that it does not have an unconditional obligation to accept spent nuclear fuel beginning January 31, 1998.[7] Several states and state commissions have filed a joint petition seeking review of DOE's position.[8]

Extensive criticism has been directed at DOE's program from numerous sources. Most recently, in a May 19, 1995, preliminary report of an independent management and financial review of the Yucca Mountain project, the review team wrote that "[t]he Office of Civilian Radioactive Waste Management and the Yucca Mountain Project have failed to inspire any significant level of public trust and confidence;" ". . . the Project has little chance of meeting its major schedule milestones;" and, ". . . the Nuclear Waste Fund, as currently defined, is inadequate."[9] While DOE's program may have suffered from internal management shortcomings, not all of the problems rest with DOE. The program also has been subjected to unreasonable expectations, inadequate resources, and shifting institutional arrangements. For example, the position of Director of OCRWM has been occupied by eight persons in the past twelve years.

The Department of Energy's continuing delays and lack of progress in developing reliable plans for interim and permanent storage of spent fuel from civilian reactors are under increasing scrutiny. State public service commissions responsible for protecting the interests of electric utility ratepayers have several concerns: the financial impact of continued payments by ratepayers for DOE's program for nuclear waste disposal; increasing costs of interim and permanent disposal due to apparent inefficient management of, and repeated delays in, DOE's program; the anticipated continuing failure of DOE to meet its obligations under the Act, and its obligations in contracts with utilities entered into pursuant to the Act.

Through the first quarter of 1995, ratepayers nationwide have paid $7 billion in fees into the Nuclear Waste Fund. The Fund has earned $1.7 billion in interest. Utilities owe another $1.7 billion in one-time fees and interest for spent fuel consumed prior to April 7, 1983, and payments continue to be made at a rate of nearly $600 million per year nationwide.

According to DOE, Virginia Power has paid $343.6 million to the Fund through the end of 1994, including $22.8 million in 1994, for spent fuel consumed at the Surry and North Anna nuclear power plants. In addition, millions of dollars have accrued as interest on the Company's payments to the Fund. In its 1994 fuel factor application, Case No. PUE940059, Virginia Power projected its payments to the Fund to be approximately $18.2 million for the 12-month period from November, 1994 through October, 1995. According to Commission Staff witness Dr. William Timothy Lough's prefiled testimony in that case, Virginia Power's future payments to the Nuclear Waste Fund could exceed an additional $400 million, assuming its North Anna and Surry reactors continue to operate through the end of their existing operating licenses. That amount could double if Virginia Power is successful in renewing its nuclear power plant operating licenses for 20 years, as it has discussed.

While DOE had spent over $4 billion by early 1995, a permanent repository for spent fuel, originally ordered by Congress to be available in 1998 and subsequently delayed by the DOE until 2010, will almost certainly be delayed further. The establishment of a repository at Yucca Mountain, by law the only site under consideration and evaluation, is by no means assured. Thus, the federal government has enjoyed the use of a huge fund of ratepayer dollars for a number of years but has not successfully used the money for the purpose of nuclear waste disposal, as directed by the Act. Under the annual unified budget process, Congress uses unspent Nuclear Waste Fund dollars, presently $4 billion, to reduce theoretically the federal deficit.

While inadequate attention has been given the program in the past, recently proposed legislation would require the establishment of an "integrated spent nuclear fuel management system."[10] An integrated system would consist of a transportation infrastructure, multi-purpose canister systems, a centralized interim storage facility, and a permanent repository. Unfortunately, while such legislation would be a positive development, reduced program funding would impede the development of the multi-purpose canisters and transportation infrastructure necessary to support a centralized interim storage facility, and would delay the opening of a repository at Yucca Mountain beyond 2010. On July 12, 1995, the U.S. House of Representatives passed the Energy and Water Development Appropriations Bill, which allocated a total of $425 million for the nuclear waste disposal program for fiscal year 1996, but only $226.6 million of the total is to be derived from the Nuclear Waste Fund in spite of projected collections of nearly $600 million from ratepayers served by nuclear utilities.[11] While the total level of funding for the program included in the bill is more encouraging than

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[4]The Act prohibits DOE from selecting a site for a storage facility until a recommendation is made to the President for the approval of a site for development as a repository. [42 U.S.C. 10165] The Act also prohibits construction of a storage facility until the Nuclear Regulatory Commission has issued a license for the construction of a repository. [42 U.S.C. 10168]

[5]*Civilian Radioactive Waste Management Program Plan*, supra at 10.

[6]DOE Notice of Inquiry on Waste Management Issues, 59 Fed. Reg. 27007 (May 25, 1994).

[7]DOE Final Interpretation of Nuclear Waste Acceptance Issues, 60 Fed. Reg. 21793 (May 3, 1995). DOE also found that it lacks statutory authority to provide interim storage.

[8]*State of Michigan, et al. v. U.S. Department of Energy, et al.*, No. 95-1321 (D.C. Cir. filed June 22, 1995).

[9]Peterson Consulting Limited Partnership in Association with John Reiss, Jr. & Associates, Inc., *Independent Management and Financial Review, Yucca Mountain Project, Nevada*, Preliminary Report II-2, II-7, II-8 (1995).

[10]H.R. 1020, 104th Cong., 1st Sess. (1995).

[11]H.R. 1905, 104th Cong., 1st Sess. (1995). The allocation above the $226.6 million is provided by the federal government for defense nuclear waste disposal.

an earlier House-passed budget resolution,[12] the amount is still much less than necessary to address the spent fuel problem in a proper and timely fashion.[13] Also, the spending bill directs DOE to "downgrade, suspend, or terminate its activities at Yucca Mountain in order to prepare for acceptance of spent fuel for interim storage."[14]

Regardless of the outcome of this year's legislative process, which is changing on a daily basis, it is becoming increasingly apparent that states, utilities and ratepayers may not be able to count on the federal government to use the Nuclear Waste Fund for its intended statutory purpose or to provide for the timely disposal of spent fuel. On a national basis, failure to meet waste disposal obligations may halt electricity generation at nuclear facilities due to lack of additional storage capacity for spent fuel. This development would be a severe financial detriment to utilities because it would require premature retirement of capital-intensive facilities and higher replacement energy costs.[15]

The Department of Energy's failure to resolve the spent nuclear fuel issue is a threat to Virginia. Virginia's ratepayers served by Virginia Power, Delmarva Power, Apco, and the electric cooperatives continue to reimburse utilities for the utilities' contractual payments to the Nuclear Waste Fund. It appears that the federal government will produce no waste disposal facilities in the near future. Meanwhile, the uncertainty of disposal procedures threatens current cost estimates and requires the construction of temporary facilities at many nuclear power plants. Further, DOE's lack of progress may delay the decommissioning of nuclear power plants at the end of the plants' useful lives due to the presence of spent nuclear fuel at the sites, and could add significantly to the cost of decommissioning and the disposal of spent fuel and other nuclear waste.

Through June 30, 1995, Virginia Power estimates that it has collected $251 million from Virginia jurisdictional customers through the fuel factor for expenses associated with the disposal of spent fuel from the North Anna and Surry nuclear power stations. Final audits have been conducted by the State Corporation Commission Staff ("Staff") for fuel expenses recovered through December 31, 1989, including $172 million recovered through that time, for spent fuel disposal expenses. A final audit has not been concluded by the Staff for the $79 million recovered from Virginia jurisdictional customers since January 1, 1990. As such, Virginia Power fuel factor cases numbered PUE880082, PUE900054, PUE910048, PUE920048, and PUE940059 remain open and subject to investigation.

Likewise, Delmarva Power and Apco have recovered expenses associated with the disposal of spent fuel from their Virginia jurisdictional customers. A final Staff audit has not been concluded for the expenses recovered by Delmarva Power since January 1, 1990, and by Apco since January 1, 1991, and, as such, the associated fuel factor cases remain open and subject to investigation.

At the conclusion of Virginia Power's fuel factor hearing on October 28, 1994, Case No. PUE940059, the Commission stated that it would continue to monitor the issues surrounding the disposal of spent nuclear fuel. The Commission further stated it would have to address the impact of the 1 mill charge on Virginia's ratepayers unless it appeared that the situation had improved. In our view the situation has deteriorated.

The lack of progress toward a workable solution for spent nuclear fuel requires us to reexamine the issue. Accordingly, by this Order we initiate an investigation to consider Commission policy regarding spent nuclear fuel. The investigation will proceed in two stages. We first invite comments from utilities and all interested persons addressing, at a minimum, the legal and policy ramifications of the following issues:

1. Can and, if so, should the Commission disallow recovery from ratepayers of the utilities' obligations to pay the U.S. Department of Energy 1 mill per kWh of electricity generated and sold from their nuclear power plants for the civilian radioactive waste program?

2. If the Commission can and should disallow recovery, should the disallowance for payments be whole or partial?

3. If the Commission can and should disallow recovery, should the Commission instead allow 1 mill per kWh (or some lesser or greater amount) to be collected and placed in an escrow fund, similar to the decommissioning fund, or should no amount be collected at all?

4. If the Commission can and should disallow recovery, should the Commission adopt one or a combination of the options proposed in Staff witness Dr. William Timothy Lough's prefiled testimony in Virginia Power's 1994 fuel factor proceeding?[16]

5. If the Commission can and should disallow recovery, should the Commission consider that any disallowance or escrowing should be applicable to past fuel factor cases for which the dockets are still open; or should any disallowance be considered only on a case-by-case basis for each successive test year period based on that year's performance by DOE or some other criteria; or should the disallowance or escrowing be imposed until certain milestones, such as the completion of a centralized interim storage facility, are met by the federal government?

6. If an escrow fund can and should be established, how should the fund be administered?

7. If an escrow fund can and should be established, under what conditions should monies from the fund be paid and to whom should it be paid?

8. If the Commission can and should disallow recovery and/or establish an escrow fund, can and, if so, should the Commission prohibit or allow the utilities to continue to make scheduled payments to DOE or their agents?

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[12]H.R. Con. Res. 67, 104th Cong., 1st Sess. (1995). The resolution recommended a total funding level of only $130 million for the nuclear waste program and that provisions be adopted to terminate the Yucca Mountain site studies.

[13]DOE's budget request for the civilian radioactive waste management program for fiscal year 1996, which assumed no funding for an interim storage facility, was $622 million, nearly 50 percent more than the total level of funding included in H.R. 1905.

[14]H.R. 1905.

[15]This is not currently a specific problem in Virginia because of the on-site storage facilities in existence at Surry and planned at North Anna.

[16]Prefiled Staff Testimony Part C at 23-25, Case No. PUE940059 (October 21, 1994).

9. If there has been inefficient management of DOE's program for nuclear waste disposal, can and, if so, how should the Commission protect the interests of Virginia's electric ratepayers?

10. Should utilities, individually or cooperatively, begin developing alternative strategies for long-term interim storage of spent nuclear fuel? If so, what strategies should be considered and what are the costs associated with these strategies? What ratemaking treatment should these costs be afforded?

11. Can and, if so, should utilities, individually or cooperatively, begin developing their own strategies for the permanent disposal of their spent fuel? If so, what strategies should be considered and what are the costs associated with these strategies? What ratemaking treatment should these costs be afforded?

12. Many utilities' nuclear power plants are scheduled to reach the end of their initial operating licenses not long after 2010, the earliest date DOE estimates Yucca Mountain might be available to receive spent nuclear fuel. Among those nuclear power plants for which spent nuclear fuel costs are being paid in varying degrees by ratepayers in Virginia, Surry 1 and 2 are scheduled to reach the end of their operating licenses the earliest, in 2012 and 2013, respectively. In addition, terminations of the operating licenses at Peach Bottom, Salem, Cook, and North Anna are scheduled to follow in the decade thereafter. If there should be no centralized storage/disposal site available for the placement of spent fuel when Surry, North Anna, Cook, Salem, and Peach Bottom are scheduled to be decommissioned, what might be the impacts on the ability and cost to decommission these plants assuming the centralized storage/disposal site is delayed 5 years, 15 years, 30 years or indefinitely?

13. If there should be no centralized storage/disposal site available for the placement of spent fuel when Surry, North Anna, Cook, Salem, and Peach Bottom are scheduled to be decommissioned, what alternatives might be available? What might be the impact on the estimated costs to decommission the plants and what ratemaking treatment should these costs be afforded?

14. If there should be no centralized storage/disposal site available for the placement of spent fuel when Surry, North Anna, Cook, Salem, and Peach Bottom are scheduled to reach the end of their initial operating licenses, what might be the impact on the ability of the nuclear power plant owners to renew the operating licenses for life extension of the plants?

15. What efforts have utilities made to encourage or require the DOE to fulfill its obligations relative to the disposition of spent nuclear fuel? What future efforts are planned?

16. What impacts might a failure of DOE to meet its obligations relative to the disposition of spent nuclear fuel have on utilities? How would wholesale and/or retail competition affect these impacts?

Participants should also address all legal and policy issues they believe relevant to this investigation. Upon receipt of comments, Staff will be directed to file a report proposing specific policy changes, if any, which it believes will address the interests of Virginia's ratepayers and utilities. Participants will then be given an opportunity to comment on the specific proposals set forth in the Staff Report and request oral argument. We encourage all interested and affected persons to provide meaningful input to the Staff as it conducts its investigation. After all comments have been received, we will determine what further proceedings should be initiated.

NOW THE COMMISSION finds that notice of the investigation should be given and that interested persons should be provided an opportunity to comment and to request oral argument. If any requests for oral argument are received, the Commission will issue a subsequent order addressing these requests. In the absence of a request for oral argument, the Commission may act after considering all written comments. Accordingly,

IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUE950060;

(2) That, on or before August 15, 1995, the Commission's Division of Energy Regulation shall cause a copy of the following notice to be published in major newspapers having general circulation throughout the Commonwealth:

NOTICE OF INVESTIGATION BY THE
VIRGINIA STATE CORPORATION COMMISSION
OF POLICIES REGARDING SPENT NUCLEAR FUEL DISPOSAL

On July 18, 1995, the Virginia State Corporation Commission initiated an investigation regarding spent nuclear fuel disposal. The Commission has directed interested parties to provide comments on legal and public policy issues related to spent nuclear fuel storage and disposal, including, but not limited to, whether to allow utilities to recover from ratepayers some or all money paid to the Nuclear Waste Fund, whether to establish an escrow account for spent nuclear fuel storage and/or disposal, and whether utilities should develop their own plans for storage and disposal of spent nuclear fuel.

Comments from interested persons on the issues identified above or any other matter that should be addressed in the context of this investigation should be submitted in writing by filing an original and fifteen (15) copies of such comments with William J. Bridge, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2116, Richmond, Virginia 23216, no later than October 31, 1995. A copy of the comments shall also be served upon each person reflected in the attestation paragraph of the Commission's July 18, 1995 order establishing the investigation.

After reviewing the comments filed herein, Staff will file its report recommending specific rules or policy statements regarding spent nuclear fuel disposal on or before December 29, 1995. Comments on the

proposals set forth in that Staff Report and any request for oral argument should be filed on or before January 31, 1996. In the absence of a request for oral argument, the Commission may act after consideration of all written comments.

A copy of the Commission's order initiating this investigation, any comments, and the Staff report filed in this docket will be available for public inspection during normal business hours at the business offices where utility bills may be paid of all investor-owned electric utilities and electric cooperatives subject to the Commission's jurisdiction and at the State Corporation Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia.

VIRGINIA STATE CORPORATION COMMISSION
DIVISION OF ENERGY REGULATION

(3) That any person may file written comments provided an original and fifteen (15) copies of the comments are filed no later than October 31, 1995, with William J. Bridge, Clerk, State Corporation Commission, Tyler Building, 1300 East Main Street, First Floor, Richmond, Virginia, 23219, and refer to Case No. PUE950060. A copy of the comments shall be served upon all persons reflected in the attestation paragraph of this order;

(4) That Staff shall file its report on or before December 29, 1995, in which it sets forth its findings, recommendations, and proposed policy statements;

(5) That any person may file written comments concerning the Staff Report and proposed policy statements provided an original and fifteen (15) copies of the comments are filed no later than January 31, 1996. Any participant may request oral argument provided an original and fifteen (15) copies are filed on or before January 31, 1996. Such comments and requests for oral arguments shall be filed with William J. Bridge, Clerk, State Corporation Commission, Tyler Building, 1300 East Main Street, First Floor, Richmond, Virginia 23219, and served on all participants of record;

(6) That all investor-owned electric utilities and electric cooperatives subject to the Commission's jurisdiction shall forthwith make a copy of this order, any comments, and the Staff Report subsequently filed in this docket available for public inspection during normal business hours at the respective business offices where utility bills may be paid; and

(7) That the Division of Energy Regulation shall, upon completion, provide proof of the publication required herein.

CASE NO. PUE950061
DECEMBER 12, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For Authorization to Defer Filing Proposed Payments to Small Qualifying Facilities

ORDER AUTHORIZING DEFERRAL OF FILING

Before the Commission is the application of Virginia Electric and Power Company ("Virginia Power" or "the Company") for authorization to defer the filing of a new Schedule 19, Power Purchases from Cogeneration and Small Power production Qualifying Facilities, to no later than July 31, 1996. After considering the application and comments, as discussed below, the Commission authorizes the Company by this order to propose a new Schedule 19 on or before July 31, 1996.

By order of August 4, 1995, the Commission docketed this matter and directed Virginia Power to give public 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 August 15, 1995, Virginia Power 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. In response to the public notice, the Commission received comments from Appomattox Cogeneration Partnership and the Virginia Hydro Power Association. In addition, the Staff filed comments.

Virginia Power noted in its application that the Commission has directed that revisions in Schedule 19 be proposed in conjunction with the Company's biennial filing of its twenty-year forecast and resource plan. The Company was scheduled to make this filing in July, 1995, and revisions to Schedule 19 would have been made at approximately the same time. In support of its request for deferring revision of Schedule 19 for one year, the Company contended that the developing wholesale electricity markets will influence the value of generating capacity. According to Virginia Power, it would be advisable to monitor industry developments before establishing new payments for small qualifying facilities ("QFs").

As the Staff noted in its Comments, 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 initiated a major rulemaking, Promoting Wholesale Competition Through Open Access Nondiscriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, IV F.E.R.C. Stats. & Regs. ¶ 32,514 (1995), to consider 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 could well affect electric utility markets.

Given the potential for change in the industry, Virginia Power fears that establishing capacity and energy payments for QFs based on administratively determined avoided costs may not accurately reflect the market value of capacity. At this time, the Commission cannot be certain that the previously approved procedures for determining Virginia Power's avoided costs would assign excessive value to capacity and result in unnecessarily high

payments. The Commission recognizes, however, that the industry faces considerable uncertainty. We also recognize that Schedule 19 applies by its terms only to new facilities with design capacity of 100 kW or less, and it is unlikely that many facilities will fall under this schedule.

The comments filed with the Commission identified no persuasive reason why revision of Schedule 19 could not be deferred for a year as proposed by Virginia Power. The Staff raised no objections. Likewise, the Virginia Hydro Power Association expressly stated that it had no objection to deferral. The Association simply restated its position that future revision of Schedule 19 should take into account small hydro facilities. According to Appomattox Cogeneration Limited Partnership ("ACLP"), it has a contract with Virginia Power which provides for energy payments tied to Schedule 19, and the absence of a revised Schedule 19 "impacts the ability of Virginia Power and ACLP to carry out the terms of the power purchase agreement." The current approved version, Schedule 19 - 1993/95, effective July 1, 1994, will remain in effect until revised in 1996.

Upon consideration of the record before us, the Commission will approve Virginia Power's request. In extending the filing date to July, 1996, the Commission expects Virginia Power to develop proposed revised rates using the latest information available at the time of filing.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Virginia Electric and Power Company be authorized to defer filing to no later than July 31, 1996, proposed payments to qualifying facilities of design capacity of 100 kW or less.

(2) This proceeding be dismissed from the Commission's docket and all papers herein be transferred to the files for ended cases.

CASE NO. PUE950081
SEPTEMBER 29, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For an expedited increase in gas rates

PRELIMINARY ORDER

On September 1, 1995, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed a rate application, supporting testimony and exhibits for an 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 approximately $7.2 million, in addition to the $7.1 million VNG is currently seeking in its pending expedited rate increase request in Case No. PUE940054, for a total increase of $14,334,573. VNG has filed adjusted operating and financial data for the twelve months ended June 30, 1995, 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 so long as 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 1, 1995, subject to refund, pursuant to Section II of the rules.

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. PUE950081;

Accordingly, IT IS ORDERED THAT:

(1) The application filed by VNG on September 1, 1995, is hereby docketed and assigned Case No. PUE950081.

(2) An interim increase in rates designed to produce additional gross annual revenues of approximately $7.2 million, in addition to the $7.1 million VNG is currently seeking in its pending expedited rate increase request in Case No. PUE940054, for a total increase of $14,334,573 shall be applied to service rendered on and after October 1, 1995, and that such 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. PUE950089
SEPTEMBER 18, 1995

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 utility industry

ORDER ESTABLISHING INVESTIGATION

In the last several years, interest in the introduction and utilization of competitive market forces in the electric industry at both the wholesale and retail level has increased. Restructuring occurring in other regulated industries has also focused attention on the structure and operation of electric utilities in their provision of service to customers.

In addition, developments at the federal level are influencing the structure of the electric industry, and statutory and regulatory changes are likely to continue to have a significant impact. The Public Utility Regulatory Policies Act of 1978 ("PURPA") requires utilities to purchase capacity and energy from qualifying facilities at each utility's avoided cost, thereby introducing an alternative source for meeting the generation needs of the utility. Virginia has on-line approximately 3,300 megawatts of non-utility generation spawned directly or indirectly by PURPA. The Energy Policy Act of 1992 provides the Federal Energy Regulatory Commission ("FERC") authority to order wholesale wheeling, and FERC has proposed rules which, if adopted, will mandate open access transmission for wholesale sales of electricity.

Many states are seeking to determine the role that competitive market forces should play in the provision of retail electric service. This interest in electric utility restructuring is driven by a number of factors, including: an apparent present abundance of electric generating capability; efficiency developments in electric generating technologies; declining cost of intermediate and peaking facilities; low cost natural gas supplies; and substantial price differentials among utilities, regions, and states. States where prices of electric service are highest are considering changes in market structure in the hope of reducing electric rates. Large users of electricity, in particular, have sought expanded supply and pricing options, and the perception of excess capacity and low-priced power has increased interest in access to alternative supplies. In anticipation of fundamental changes in markets, utilities in Virginia and elsewhere are engaging in significant cost-cutting efforts in response to perceived competitive challenges.

Opinions differ over the feasibility and advisability of poolcos, retail wheeling, performance-based pricing, stranded cost recovery, and other concepts. This debate is fueled by a number of uncertainties. The presumed potential benefits of electric utility restructuring may not be quantifiable with any real degree of precision. The degree to which natural gas-dependent electric utilities may be subject to seasonal price swings, the reliability of new technologies and fuel supplies, and potential increases in the cost of natural gas are major variables. Industry restructuring also creates uncertainty regarding electric service reliability and the addition of appropriate new electric generating facilities.

There are other significant issues. Utility exposure to stranded costs that may be caused by increased competition and the impacts of measures proposed to mitigate such costs may undermine the benefits of electric utility restructuring. Moreover, the benefits of restructuring initiatives to customers may be related to the development of effective competition. If the market is opened to competition, what structure is necessary to ensure that effective competition develops? How can customer choice be maximized? How will residential and commercial sectors of the market, which may not have readily available alternatives, be protected? These and related issues require evaluation.

Unlike many other states, Virginia is not plagued by high-cost power. The larger electric utilities in the Commonwealth are providing electric service at, or in some cases significantly below, the national average. Such standing does not mean, however, that there are no improvements that can be made to provide reliable service at lower cost. These possibilities must be explored. To the extent structural changes can provide lower rates without an unacceptable reduction in reliability, they should be carefully evaluated. The examination of these issues must give full consideration to such factors as reliability, continuity and stability of rates, fairness to all customers, fairness to investors, and whether truly competitive markets that are in the public interest can be developed. All avenues should be examined to ensure that all classes of customers receive reliable, reasonably priced electricity and that the competitiveness of Virginia's commercial and industrial entities is maintained.

In Virginia, we have supported competitive measures in the electric industry within the context of our statutory duties and responsibilities. In response to the capacity offered by non-utility generators after the enactment of PURPA, we adopted rules for electric capacity bidding programs,[1] one of the purposes of which was to protect the public by selecting the lowest cost offer of qualifying facilities for meeting additional capacity needs of utilities. We have also encouraged consideration of competitive bidding processes for demand-side programs as needs develop in the future.

Earlier this year, we directed our Staff to begin an informal inquiry into issues associated with potential restructuring and competition in the electric industry. We believe it is important to examine whether there are measures and policies that could reduce energy costs and maintain or improve electric service to Virginia's homes and businesses. Our Staff has begun meeting with utilities, electric cooperatives, industrial customers, non-utility generators, environmental representatives, and others to discuss their views on the changes which are taking place in the industry today, as well as the new directions, if any, which should be taken in the future.

We are mindful that fundamental changes in the structure of the industry and the regulation of public utilities have profound implications for the citizens and businesses of Virginia. The provision of electric service is vital to our physical and economic well being. The potential benefits and disadvantages of changes must be scrutinized carefully to ensure that customers have adequate opportunities to obtain the electric service they need at reasonable costs, without other customers, or the supplier itself, being treated unfairly.

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[1] Ex Parte: In the matter of adopting Commission policy regarding the purchase of electricity by public utilities from qualifying facilities when there is a surplus of power available, Case No. PUE870080, 1988 S.C.C. Ann. Rept. 297; Ex Parte: In the matter of adopting Commission rules for electric capacity bidding programs, Case No. PUE900029, 1990 S.C.C. Ann. Rept. 340.

At this juncture, we find it appropriate to establish a docket for this inquiry and to provide an opportunity for participation by all interested parties. As in other investigations, the touchstone for our inquiry shall be protection and promotion of the public interest. We will direct our Staff to continue and expand its investigation of current issues in the electric industry and to file a report on its observations and recommendations. The inquiry we envision is a broad one, and we direct all public utilities and cooperatives to assist the Staff and to respond promptly and fully to Staff's requests for information. We also urge other interested parties to work with the Staff and make their views known with as much detail and specificity as possible. The Staff shall investigate the emerging issues in the electric utility industry and shall include in its report responses to the following directives:

1. Analyze the conditions underlying the movement for restructuring the electric utility industry and assess the need for such change in Virginia. Compare current restructuring proposals to the existing regulatory framework in Virginia and the potential effects on customers.

2. Identify and assess the need for and potential benefits of competition in Virginia and, where appropriate, possible measures for promoting increased competition. Such an assessment should contrast potential advantages and disadvantages of restructuring and competition, as well as identify the obstacles to, and measures necessary for, development of a truly competitive market. The assessment should also analyze the impact of restructuring on varying customer groups and utilities.

3. Evaluate the competitiveness of current rates and potential stranded cost exposure of electric utilities in Virginia. This evaluation should include an assessment of the competitive impacts of contracts for purchased power and possible procedures for lowering the total costs associated with such contracts.

4. Identify and analyze potential treatments of stranded costs under differing industry scenarios.

5. Review existing Commission policies and objectives to determine if they are compatible with desirable competition and the abilities of the Commission, Virginia utilities, and others to respond to competitive pressures. This review should include:

   - an evaluation of the Commission's policies regarding purchased power and associated costs and possible competitive issues associated with purchased power obligations, and an evaluation of certification procedures for construction of generation facilities;

   - an analysis of the Commission's policies governing promotional practices and conservation/load management programs;

   - an evaluation of existing ratemaking policies, i.e., the rationales for class cost allocations, deferred accounting, recovery of fuel costs, rate design objectives, rate class parity, and treatment of commercially-sensitive information;

   - an analysis of whether increased competition will impact a utility's willingness to take appropriate steps to address environmental concerns;

   - an assessment of changes in business and financial risks and the effects of competition on the financial conditions of Virginia's utilities;

   - an evaluation of the potential impacts of holding company structures and possible consolidation and diversification in the changing utility industry; and

   - an analysis of the ability of utilities to engage in and respond to competitive pressures.

6. Examine the Commission's statutory authority and make appropriate suggestions for any modifications of statutes including those to allow or authorize competitive actions or programs such as retail wheeling experiments, corporate restructuring, innovative or flexible pricing proposals, and non-traditional utility services.

7. Identify and discuss the views of interested parties as to changes advocated in the current regulatory framework for electric utilities, including regulatory procedures, pricing, supply choice, reliability, and stranded costs.

The Staff shall prepare a report of its findings and recommendations to the Commission for its consideration. While we expect the report to include the general positions of various interests, we will also provide an opportunity for any interested party to file comments on the Staff report and to request oral argument.

Accordingly, IT IS ORDERED THAT:

(1) All investor-owned electric utilities and electric cooperatives are made parties to this proceeding and shall respond to the Staff's requests for information. Any other person who desires to be placed on the service list may do so upon written request to the Clerk of the Commission.

(2) The Staff of the Commission shall investigate and prepare a report on the issues outlined in this order on or before March 29, 1996, and the report shall be made available to the public upon request.

(3) All interested parties may file written comments and requests for oral argument in response to the Staff Report with the Clerk of the Commission on or before May 31, 1996.

(4) On or before October 27, 1995, each investor-owned electric public utility and electric cooperative subject to the Commission's jurisdiction shall make a copy of this Order, together with the appendices thereto, available for public inspection during regular business hours at all of its business offices where customer bills may be paid. These utilities shall likewise make a copy of the Staff's Report available for public inspection when it is filed. The Commission's Document Control Center shall forthwith make a copy of this Order available for public review in its office, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, during its regular business hours.

(5) The Division of Economics and Finance shall cause a copy of the following notice to be published in the Virginia Register and as display advertisement on one occasion in major newspapers of general circulation within the Commonwealth of Virginia on or before October 27, 1995:

NOTICE TO THE PUBLIC OF THE INVESTIGATION OF
THE STATE CORPORATION COMMISSION INTO AN APPROPRIATE
POLICY REGARDING RESTRUCTURING OF AND COMPETITION
IN THE ELECTRIC UTILITY INDUSTRY - CASE NO. PUE950089

By Order dated September 18, 1995, the State Corporation Commission instituted a proceeding to review and consider policy regarding restructuring and the role of competition in the electric utility industry in Virginia. The Commission has directed its Staff to conduct an investigation of current issues in the electric utility industry and to file a report of its observations and recommendations on issues identified in the Commission's Order. Interested parties are encouraged to make their views on issues known to the Staff prior to the issuance of the Staff Report, which is scheduled to be filed on March 29, 1996. Interested parties will thereafter also have an opportunity to file comments on the Staff Report and requests for oral argument on or before May 31, 1996. Comments or requests for oral argument must be filed with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, and must refer to Case No. PUE950089. A copy of the Commission's Order establishing this proceeding and setting forth the parameters of the investigation in more detail can be obtained by contacting the Clerk of the Commission.

DIVISION OF ECONOMICS AND FINANCE
STATE CORPORATION COMMISSION

(6) On or before November 29, 1995, the Division of Economics and Finance shall file with the Clerk of the Commission proof of publication.

(7) This matter is continued pending further order of the Commission.

CASE NO. PUE950091
OCTOBER 31, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PO RIVER WATER AND SEWER COMPANY,
Defendant

PRELIMINARY ORDER

By notice dated September 15, 1995, Po River Water and Sewer Company ("Po River" or "the Company") notified its customers and the Commission's Division of Energy Regulation pursuant to the Small Water or Sewer Public Utility Act (Virginia Code § 56-265.13:1 et seq.) of its intent to change its rates, charges, fees, and rules and regulations effective for water and sewerage service rendered on and after November 1, 1995. On September 26, 1995, the Commission's Division of Energy Regulation received a petition requesting a hearing from approximately 1,449 members of the Indian Acres Club of Thornburg ("IACT"). In a letter accompanying that petition, counsel for IACT requested that the Commission suspend Po River's proposed rates and charges for 60 days and declare such rates and charges interim and subject to refund following the period of suspension.

In an October 26, 1995 filing, Staff also recommended that the matter be set for hearing. Staff noted IACT's petition and Staff's concern with the magnitude of the proposed IACT rate as well as its affect on the residential rates.

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 of the hearing will be by separate order of the Commission.

The Commission is also of the opinion that Company's proposed rates and charges should be suspended for a period of 60 days and that such rates and charges should be declared interim and subject to refund, with interest, following the period of suspension.

Accordingly, IT IS ORDERED THAT:

(1) This matter be, and hereby is, docketed and assigned Case No. PUE950091.

(2) The Company's proposed rates and charges is hereby suspended for a period of 60 days or through December 30, 1995.

(3) The Company's proposed rates and charges shall be interim and subject to refund, with interest, following the period of suspension, or effective for service rendered on and after December 31, 1995.

(4) The matter shall be continued subject to further order of the Commission.

CASE NO. PUE950091
DECEMBER 4, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PO RIVER WATER AND SEWER COMPANY

ORDER MODIFYING PERIOD OF SUSPENSION AND DECLARING RATES INTERIM

By Order entered on November 9, 1995, the Commission directed the Indian Acres Club of Thornburg, Inc. ("IACT") and the Commission's Staff to respond to Po River Water and Sewer Company's ("Po River" or "the Company") November 6, 1995 Motion to Vacate and Set Hearing relevant to the issue of suspension. In that Motion, Po River specifically requested the Commission to vacate that portion of its October 31, 1995 Preliminary Order wherein it suspended the Company's proposed rates and charges through December 30, 1995. The Company also requested that it be allowed to put its rates into effect, on an interim basis subject to refund (with interest), effective November 1, 1995, and that a hearing be convened no later than June of 1996.

On November 16, 1995, the Commission's Staff and IACT filed responses to Po River's Motion to Vacate and Set Hearing. In its response, Staff took no position on the issue of suspension but agreed that, if possible, a hearing should be scheduled no later than June of 1996. In its response, IACT objected to Po River's motion to vacate suspension of its proposed rates noting that the Commission routinely suspends rates when a hearing is ordered pursuant to authority granted by Virginia Code § 56-265.13:6.

On November 21, 1995, Po River filed a Reply to Responses of Staff and IACT. In its Reply, the Company referenced the need for additional funds to continue operating the water system and noted the negative financial impact of further delay in implementing its proposed rates and charges.

On November 27, 1995, IACT filed an Answer to the Reply of Po River Water and Sewer Company and, on November 29, 1995, Po River filed a Reply to Answer of IACT.

NOW THE COMMISSION, having considered the pleadings, is of the opinion that the period of suspension ordered in our October 31, 1995 Preliminary Order should be modified. We will suspend Po River's proposed rates and charges through November 30, 1995, and allow the Company to put its proposed rates and charges into effect, on an interim basis subject to refund (with interest), effective December 1, 1995. We will address the issue of a procedural schedule in a subsequent order. Accordingly,

IT IS ORDERED THAT:

(1) The period of suspension ordered in our October 31, 1995 Preliminary Order shall be, and hereby is, modified to reflect that the Company's proposed rates and charges are suspended through November 30, 1995.

(2) The Company's proposed rates and charges shall be interim and subject to refund, with interest, following the period of suspension, effective for service rendered on or after December 1, 1995.

(3) This matter shall be continued subject to further order of the Commission.

CASE NO. PUE950094
OCTOBER 31, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 1995-1996 FUEL FACTOR

On September 19, 1995, Virginia Electric and Power Company ("Virginia Power" or "Company") filed with the Commission written testimony, exhibits, and proposed tariffs supporting its requests that the fuel factor and the deferred fuel accounting mechanism be continued; that the currently operative average fuel factor be reduced with a corresponding reduction in annual revenues of $97.1 million; and that the average fuel factor be replaced by three voltage differentiated fuel factors. In addition, with respect to off-system sales, Virginia Power requested that the fuel factor be credited by an amount equal to the incremental fuel factor costs incurred in producing and delivering the sales plus an annual credit of one-half of the accumulated energy margins from all such transactions. The Company proposed flowing the other half of the accumulated energy margins through the non-fuel cost of service.

By Order dated September 22, 1995, the Commission established a procedural schedule and set a hearing for October 30, 1995. 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. Pursuant to that scheduling order, Gordonsville Energy, L.P. and The Virginia Committee For Fair Utility Rates, by counsel, each filed a notice of protest and a protest. Panda Rosemary, L.P., Westmoreland Energy, Inc., and LG&E Power, Inc., by counsel, filed a joint notice of protest; however, they were later dismissed, upon request, from this proceeding.

On October 24, 1995, Commission Staff filed its testimony. With respect to the revenues from off-systems sales, Staff agreed that fifty percent of the energy margins should be applied as a credit to fuel factor expenses. Staff proposed, however, that the remaining fifty percent be netted against Virginia Power's deferred capacity account, after removal of appropriate expenses of the Company's new Wholesale Power Group. Staff further proposed that the Definitional Framework of Fuel Expenses for Virginia Power be amended to reflect Staff's recommendation regarding off-system sales.

With respect to the Company's proposal to implement voltage differentiated fuel factors, Staff noted that the fuel expense impact of class differentiated line loss factors was considered, to some extent, in the Company's last base rate case. Staff felt that the differential in class line loss factors should not be recognized in the fuel factor unless line loss factors were removed from consideration in base rates. Staff also stated that it would be more appropriate to consider this 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 utility, Case No. PUE950089.

With respect to the traditional fuel factor issues, Staff recommended that Virginia Power's proposed estimates of energy sales and fuel prices used in the development of the proposed fuel factor be accepted as reasonable. Staff did not propose any adjustments to the Company's estimate of its over-recovery position as of October 31, 1995. Staff did, however, propose three adjustments to the Company's forecast of its fuel expenses for the 1995-96 fuel year which resulted in an additional net decrease of approximately $10 million in the Company's forecast of fuel expenses.

Staff's first adjustment related to the maximum net dependable capacity of the Company's Surry Nuclear Units. Although the Company had assumed that the maximum net dependable capacity of these units would be uprated by 30 megawatts, in fact, the Company now estimates that the units will be uprated by only 20 megawatts. This reduction in projected capacity increases fuel expenses by approximately $1.5 million over the Company's forecast.

Staff's second proposed adjustment reflected a reduction in the assumed number of nuclear refueling outage days in the projection period and reduced fuel expense by approximately $9 million. The reduction was based on the Company's own internal forecast and recent refueling outage lengths.

Staff's third adjustment related to the anticipated level of energy margins derived from off-systems sales. The Company based its forecast on the average of the Company's last two years of off-system sales. Virginia Power, however, has experienced a significant increase in off-systems sales since the inception of the Company's new Wholesale Power Group in January of this year. As the energy margins for the first eight months of 1995 have totaled $7.4 million, Staff proposed annualizing the $7.4 million and applying fifty percent of the annualized energy margin as a credit to the forecast of fuel expenses. This results in an additional $2.7 million reduction in fuel expenses.

In total, Staff's proposed adjustments would enlarge the Company's requested $97.1 million fuel revenue decrease to $107.3 million, resulting in a Staff proposed average fuel factor of 1.229¢/kwh. Virginia Power filed no rebuttal testimony in this proceeding.

The hearing in this case was held on October 30, 1995. At the hearing, the Company tendered its proof of notice, and witnesses for Virginia Power and Commission Staff were made available for cross-examination.

Upon consideration of the record in this case the Commission is of the opinion and finds that fuel factor expenses shall be credited by an amount equal to the incremental fuel factor costs incurred in producing off-system sales. With respect to the energy margins from off-system sales, on an annual basis fifty percent shall be applied as a credit to fuel factor expenses and the remaining fifty percent shall be netted against Virginia Power's purchased power capacity expenses which flow through the deferred capacity account. The expenses of the Company's new Wholesale Power Group shall not be removed from the non-fuel factor energy margins that are netted against Virginia Power's deferred capacity account. Further, fuel factor treatment of off-system sales having a duration exceeding five years shall be considered by the Commission on a case by case basis.

The Commission also finds that Virginia Power's Definitional Framework of Fuel Expenses set forth in Order Setting Fuel Factor dated March 27, 1984 in Case No. PUE840006 and amended by Order Establishing 1994-95 Fuel Factor dated October 31, 1994 in Case No. PUE940059 shall be further amended by deleting the following lined language in Section c and by adding the following underscored language in Section d.

c. Total energy costs associated with purchased power and charged to account 555 shall be recoverable as fuel costs. ~~The demand component of such power purchases shall be recoverable as fuel costs except when such purchases are made for reliability reasons or the maintenance of reserve margin requirements~~.

d. Energy revenues associated with off-system sales and recorded in account 447 shall be credited against fuel factor expenses in an amount equal to the total incremental fuel factor costs incurred in the production and delivery of such sales. In addition, one-half of the total accumulated energy margins from off-system sales as delivered under agreements with a duration of five years or less shall be credited against fuel factor expenses annually. In the event such accumulated energy margins result in a net loss, no charges shall be made to fuel factor expenses. Energy margin is defined as the total energy revenue received from an off-system sales transaction less the total incremental costs incurred in supplying that sale. Fuel factor treatment of energy revenues and incremental costs arising from off-system sales as provided for in agreements exceeding a five year duration shall be considered on a case by case basis.

A copy of Virginia Power's Definitional Framework of Fuel Expenses as revised is attached to this Order as Attachment A.

With respect to the Company's request to implement voltage differentiated fuel factors, we find that it would be more appropriate to consider this issue in another proceeding, including any proceeding recommended in the 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 utility industry, Case No. PUE950089.

We further find that a decrease in Virginia Power's zero-based fuel factor to 1.229¢/kwh is appropriate, based in part on projected fuel expenses. Approval of this factor, however, 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 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 ("Staffs 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 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, 199__, 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 zero-based fuel factor of 1.229¢/kwh is hereby approved effective for usage on and after November 1, 1995.

(2) The treatment of energy revenues associated with off-system sales be treated as discussed herein.

(3) The definitional framework of fuel expenses for Virginia Power is amended as discussed herein.

(4) This case is continued generally.

NOTE: A copy of Attachment A entitled "Virginia Commission's Definitional Framework of Fuel Expenses for Virginia Electric and Power Company" 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. PUE950097
SEPTEMBER 29, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
DENISE WESTOVER, et al.
v.
T-L WATER COMPANY

PRELIMINARY ORDER

In a letter dated August 15, 1995, T-L Water Company ("the Company") notified its customers and the Commission's Division of Energy Regulation pursuant to the Small Water or Sewer Public Utility Act (Virginia Code § 56-265.13:1, et seq.) of its intent to increase its rates for water service effective October 1, 1995. On September 28, 1995, the Commission's Division of Energy Regulation received a petition requesting a hearing in the matter from approximately 43% of the Company's 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 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 60 days and that such rates should be declared interim and subject to refund, with interest, following the period of suspension. Further, the Company should file certain financial information based on the proposed test year on or before November 1, 1995. Accordingly,

IT IS ORDERED THAT:

(1) This matter be, and hereby is, docketed and assigned Case No. PUE950097.

(2) The increase in the Company's rates is hereby suspended for a period of 60 days or through November 29, 1995.

(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 and after November 30, 1995.

(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 November 1, 1995, certain financial data based on the Company's proposed test year. Such information shall be include, at a minimum, an income statement, balance sheet, statement of cash flows, and the Company's most recent tax return.

(5) That this matter shall be continued subject to further order of the Commission

CASE NO. PUE950110
DECEMBER 28, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For waiver of gas pipelines safety requirements of 49 C.F.R. Part 193 (Subpart B)

ORDER GRANTING WAIVER

The Natural Gas Pipeline Safety Act, 49 U.S.C. Section 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 authorized to delegate that authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate state agency. The Virginia State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards in Virginia ("Safety Standards"). Pursuant to 49 U.S.C. Section 60118(d), the Commission may waive compliance with a Safety Standard upon its determination that the waiver is not inconsistent with gas pipeline safety, provided the U.S. Secretary of Transportation does not object to the waiver.

On September 7, 1995, Virginia Natural Gas, Inc. ("VNG" or "the Company") mailed a letter to the Commission's Division of Energy Regulation requesting a waiver of the Safety Standards found at 49 C.F.R. Part 193 which regulate Liquefied Natural Gas ("LNG") facilities. In particular, the Company requests permission to use portable LNG injection units for emergency use during cold weather conditions in the Company's Northern Division, an area of James City County referred to as Governor's Land.

VNG states that it first recognized its system deficiency when performing its network modeling for the 1995/1996 winter season. The Company further states that the area has not in the past encountered capacity deficiencies; however, significant land development in the past two years has created the projected shortage. The remedy requires the construction of approximately 24,000 feet of 12", 150 MAOP pipeline along Centreville Road, which will not be available for service until December 1996.

VNG believes the most prudent means to address its isolated low pressure conditions and potential customer outages in the above-described area is to provide for the temporary use of a portable LNG injection system. The Company proposes to site this equipment at the location described above for the December through March period of the next winter season (1995/1996). The Company will ensure gas odorization and the use of industry-accepted safe operating practices, including site security.

On October 31, 1995, the Commission entered an Order for Notice and Inviting Comments ("Order") which treated the Company's letter of September 7, 1995, as an application for waiver ("Application" or "Request for Waiver") and prescribed the notice VNG must give of its Application. By Amending Order dated November 28, 1995, VNG was required to serve various public officials with a copy of the Order by December 15, 1995, and was also required to publish in newspapers of general circulation a specific notice of its Request for Waiver by December 15, 1995. Both the Order and the published notice detailed procedures providing an opportunity for the public to comment or request a hearing on VNG's application. On December 15, 1995, the Company filed its proof of notice and service. No comments or requests for hearing were filed in this matter.

On December 15, 1995, Commission Staff filed its Report on VNG's Application. In its Report, Staff found that the use of mobile LNG units to provide continuous gas service during emergency conditions caused by cold weather in VNG's Northern Division, an area of James City County referred to as Governor's Land, when coupled with the alternate safety provisions contained in attachment number 1 of Staff's Report ("Alternate Safety Provisions"), is not inconsistent with gas pipeline safety. The Staff noted that VNG was requesting an extension of the waiver granted by the Commission in Case No. PUE930068. In 1993, VNG was granted a waiver by the Commission to use mobile LNG facilities to alleviate possible system deficiencies in southern Virginia Beach and southern Chesapeake. Written notice of the waiver was provided to the U.S. Department of Transportation. By letter dated January 27, 1994, the Commission was notified by the U.S. Department of Transportation that it did not object to the waiver granted in Case No. PUE930068.

Accordingly, Commission Staff recommended that VNG be granted a waiver of 49 C.F.R. Part 193 for the use of mobile LNG units in its Northern Division during the 1995-1996 winter season, provided that the waiver expires on April 1, 1996, and that VNG be required to comply with the Alternate Safety Provisions outlined in Staff's report.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that granting VNG's Request for Waiver, while ordering the Company to comply with Staff's Alternate Safety Provisions, is not inconsistent with gas pipeline safety; that the requested waiver shall become effective upon the date of approval by the U.S. Secretary of Transportation unless modified by further order of the Commission; and that the U.S. Secretary of Transportation be informed forthwith of the Commission's action. Accordingly,

IT IS ORDERED THAT:

(1) VNG be, and it hereby is, granted a waiver of 49 C.F.R. Part 193 (Subpart B) for use of portable LNG injection units described herein for the 1995-1996 winter season.

(2) This waiver expires on April 1, 1996.

(3) While this waiver is in effect, VNG is required to comply with the Alternate Safety Provisions attached hereto as Attachment 1, in addition to all other Safety Standards.

(4) This waiver shall become effective the date of approval of this waiver request by the U.S. Secretary of Transportation.

NOTE: A copy of Attachment 1 entitled "Safety Provisions for Mobile LNG Units" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUE950120
NOVEMBER 30, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
CARMA L. WRIGHT, et al.
v.
SANVILLE UTILITIES CORPORATION,
Defendant

PRELIMINARY ORDER

By notice dated October 13, 1995, Sanville Utilities Corporation ("Sanville" or "the Company") notified its customers and the Commission's Division of Energy Regulation pursuant to the Small Water or Sewer Public Utility Act (Virginia Code § 56-265.13:1 et seq.) of its intent to change its rates and rules and regulations effective for sewer service rendered on and after December 1, 1995. On November 27, 1995, the Commission's Division received a petition requesting a hearing from approximately 41 percent of the Company's 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 of the hearing will be by separate order of the Commission.

We will suspend the Company's proposed rates for a period of sixty days and declare such rates interim and subject to refund, with interest, following the period of suspension. We will also direct the Company to file certain financial information on or before January 16, 1996. Accordingly,

IT IS ORDERED THAT:

(1) This matter be, and hereby is, docketed and assigned Case No. PUE950120.

(2) The Company's proposed rates are hereby suspended for a period of 60 days, or through January 29, 1996.

(3) The Company's proposed rates shall be interim and subject to refund, with interest, following the period of suspension, or effective for service rendered on and after January 30, 1996.

(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 16, 1996, financial data based on its proposed test year. Such information shall include, at a minimum, an income statement, balance sheet, statement of cash flows, and most recent Federal Income Tax Return.

(5) The matter shall be continued subject to further order of the Commission.

DIVISION OF ECONOMICS AND FINANCE

CASE NO. PUF900007
FEBRUARY 27, 1995

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For authority to borrow from Rural Telephone Bank

ORDER EXTENDING AUTHORITY

By Order dated January 25, 1991, Shenandoah Telephone Company ("Applicant") was authorized to enter into a loan agreement to borrow up to $9,240,000 in long-term debt from the Rural Telephone Bank ("RTB") and the Rural Electrification Administration ("REA") under the terms and conditions, and for the purposes stated in its application. Under the terms of the agreement with RTB, Shenandoah believed and stated in its application that all of the proceeds had to be drawn down by December 31, 1994. Therefore, the authority to borrow the $9,240,000 from the RTB was granted by the Commission through December 31, 1994.

By letter from counsel dated February 13, 1995, Applicant represents that the RTB loan commitment does not actually expire until February 27, 1996. Applicant further states that to date, it has only borrowed $3,386,000 of its $9,240,000 authorized long-term debt, thus retaining authority from RTB to borrow approximately $5,854,000 in additional debt. Therefore, Applicant requests that the authority granted be extended. While the loan commitment expires on February 27, 1996, Applicant represents that it customarily takes RTB four to eight months to approve requisitions for draw downs, and thus requests that the Commission extend the authority granted for borrowing the remaining debt through December 31, 1996.

THE COMMISSION, upon consideration of Applicant's request for extension of authority and having been advised by its Staff, is of the opinion and finds that approval of the requested extension of authority in this case will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That the authority to borrow the remaining $5,854,000 in RTB and REA long-term debt, under the terms and conditions and for the purposes as stated in the original application, be and hereby is extended to December 31, 1996;

2) That Applicant shall file a Report of Action with the Commission on or before March 1 of 1996 and 1997, to include the amount of each advance in the prior year with corresponding interest rates, the uses of each draw down and a balance sheet reflecting the actions taken; and

3) That this matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF930019
OCTOBER 3, 1995

APPLICATION OF
BELL ATLANTIC - VIRGINIA, INC.

For authority to issue debt securities

ORDER EXTENDING AUTHORITY

By Order dated May 13, 1993, Bell Atlantic - Virginia , Inc. (formerly The Chesapeake and Potomac Telephone Company of Virginia) ("Applicant") was authorized to issue up to $325 million in debt securities. The $325 million in debt securities were to be issued pursuant to a shelf registration filed with the Securities and Exchange Commission ("SEC"). The authority was granted through June 30, 1995.

By letter dated September 26, 1995, Applicant represents that, to date, it has issued $225 million of the $325 million authorized debt securities, thus retaining $100 million of debt on the shelf registration filed with the SEC. In the September 26, 1995 letter, Applicant requests that the Commission extend the authority granted for issuing the debt for an additional two year period.

THE COMMISSION, upon consideration of Applicant's request for an extension of the authority granted and having been advised by its Staff, is of the opinion and finds that approval of the request to extend the authority in this case will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) The authority to issue the remaining $100 million in debt securities, under the terms and conditions and for the purposes as stated in the original application, be and hereby is extended to June 30, 1997.

2) All the requirements and guidelines prescribed in the May 13, 1993 Commission Order, except as modified herein, shall remain in full force and effect.

3) Applicant shall file a final report of action on or before August 31, 1997, to include a summary of all information contained in its quarterly reports filed pursuant ordering paragraph 3 of the Commission's May 13, 1993 Order.

4) This matter shall be continued subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930039
FEBRUARY 28, 1995

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For approval of intercompany financing

SECOND AMENDING ORDER

By Commission Order dated October 21, 1993, Virginia Gas Distribution Company ("VGDC" or "Applicant") was authorized to borrow up to $1,300,000 from its parent company, Virginia Gas Company ("VGC"), in the form of a promissory note. In addition, VGDC was authorized to loan a portion of the $1,300,000 proceeds to Virginia Gas Exploration Company (VGEC), its sister affiliate. At VGDC's request, the Commission issued an Amending Order on November 10, 1993, in which VGDC was authorized to lend a portion of the $1,300,000 loan proceeds from VGC to either VGEC or its other sister affiliate, Virginia Gas Storage Company (VGSC), or both. Applicant stated that the funds for the proposed financing would come from the issuance of up to $3.0 million of Exempt Facility Revenue Bonds (the "Bonds") by the Industrial Development Authority of Russell County (the "Authority") for the purpose of providing funds to acquire, improve, construct, and equip a natural gas distribution facility and supporting assets to serve natural gas customers in and near the Town of Castlewood in Russell County, Virginia.

By letter dated December 15, 1994, Applicant requests that the Commission further amend the affiliate provisions of the authority granted in this case to permit VGDC to charge an interest rate on loans to its sister affiliates that is two percentage points (2.0%) higher than the effective rate of VGDC's promissory note to VGC. Applicant represents that this higher rate would cover the costs incurred to administer the affiliate loans.

Applicant filed its Final Report on December 28, 1994, which was completed on January 20, 1995, by the submission of a copy of the loan agreement between the Authority and VGC. According to information filed by Applicant, the Authority simultaneously issued $2,630,000 of Series 1994 A Bonds and $370,000 of Series 1994 B Bonds (collectively, the "Bonds") on January 6, 1994. Total issuance costs for the Bonds amounted to $180,481 through November 30, 1994. VGDC's allocated portion of issuance costs amounted to $13,282. Using the funds provided by issuance of the Bonds, VGC loaned $1,300,000 to VGDC and $1,330,000 to VGSC. VGDC subsequently made loans of $700,000 to VGSC and $400,000 to VGEC.

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. The Commission is also of the opinion that the recovery of those costs should be in the form of fees rather than additional interest. Accordingly,

IT IS ORDERED:

1) That the Commission's Order dated October 21, 1993, and amended by Commission Order dated November 10, 1993, be and hereby is further amended to authorize VGDC to charge a reasonable fee for the recovery of administration costs on funds loaned to either VGEC or VGSC or both, all in the manner, under the terms and conditions, and for the purposes as set forth in the amended application;

2) That Applicant shall file a report of action on or before April 7, 1995, to include copies of VGSC and VGEC promissory notes to VGDC that are in accordance with the authority granted in this Case;

3) That the authority granted in ordering paragraph one (1) of this Order shall have no implications for ratemaking purposes; and

4) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930061
MAY 11, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to refinance certain debt and preferred stock

ORDER AMENDING AUTHORITY GRANTED

By Commission Order dated December 22, 1993, The Potomac Edison Company ("Applicant" or Potomac Edison") was authorized to issue and sell up to $195,000,000 in first mortgage bonds, up to $21,000,000 in pollution control bonds, and up to $15,000,000 in preferred stock, between January 1, 1994 and December 31, 1995, under the terms and conditions and for the purposes as set forth in the application. In its application, Potomac Edison stated that part of the proceeds from the bond issuances would be used to redeem, prior to maturity, its $80,000,000, 9.1625% Series First Mortgage Bonds through a non-coercive tender offer, if economically justified.

By letter dated May 10, 1995, Applicant requested that the authority granted be amended to allow for the early redemption of the $80,000,000 in bonds through the normal call provisions once the no-call period has expired rather than through the non-coercive tender offer as stated in the application.

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:

1) That the December 22, 1993 Order shall be amended to allow for the refunding of bonds through both the normal call provisions at the end of the no-call period or through a non-coercive tender offer, provided the earlier retirement results in a cost savings to Potomac Edison;

2) That all of the other terms and conditions as outlined in the Commission's December 22, 1993 Order shall remain in full force and effect;

3) That this matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF940001
MARCH 7, 1995

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to issue short-term debt

AMENDING ORDER

On January 28, 1994, the Commission issued an Order authorizing Mecklenburg Electric Cooperative ("Mecklenburg" or "Applicant") to issue short-term debt in excess of five percent of capitalization. Applicant was authorized to add an additional $8,000,000 of short-term debt capacity for a total of $14,200,000, with the authority extending through September 30, 1998. Applicant represented that it planned to use one or more lines of credit as interim construction financing until long-term financing could be obtained.

Ordering Paragraph 3 of the Commission's Order Granting Authority required Applicant to file a Report of Action with the Commission on or before February 28, 1995, describing the uses of its lines of credit during 1994. As directed in the Order, Applicant has filed its report indicating that it did not draw any advances from the lines of credit during 1994.

Subsequent to that Order, Staff has determined that it is appropriate to extend the reporting requirements until the authority granted in this case is exhausted.

THE COMMISSION, upon consideration of this information and having been advised by its Staff, is of the opinion and finds that an Amending Order should be issued to extend Applicant's reporting requirements. Accordingly,

IT IS ORDERED:

1) That Ordering Paragraph (3) of the Commission's January 28, 1994 Order shall be amended as follows:

> That on or before February 28 of each year from 1996 through 1998, Applicant shall file a Report of Action pursuant to the authority granted in this case, and shall include a schedule of all advances and repayments under the lines of credit, with corresponding interest rates on all advances and comparison rates from other institutions, a schedule separately showing all commitment fees paid or due, and a balance sheet as of December 31 for the respective calendar year; and

2) That on or before December 31, 1998, Applicant shall file a Final Report of Action concerning all short-term borrowings from January 1, 1998, through September 30, 1998, and that such report shall include a schedule of all advances and repayments, with corresponding interest rates of all advances and comparison rates from other institutions, and a schedule separately showing all commitments fees paid or due; and

3) That all other provisions of the January 28, 1994 Order shall remain in full force and effect.

CASE NO. PUF940015
FEBRUARY 28, 1995

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For authority to incur indebtedness

AMENDING ORDER

On July 27, 1994, Virginia Gas Distribution Company ("VGDC" or "Applicant") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. In its application, VGDC requested authority to borrow up to $1.5 million of debt from its parent company,

Virginia Gas Company ("VGC"), in the form of a promissory note. That note would reflect the same maturity, interest rate, and repayment schedule as VGC's note to the Industrial Development Authority of Buchanan County (the "Authority") for the proceeds from the Authority's issuance of up to $8.0 million Exempt Facility Revenue Bonds (the "Bonds"). Applicant also requested authority to lend a portion of the $1.5 million loan proceeds to Virginia Gas Exploration Company ("VGEC") and/or Virginia Gas Storage Company ("VGSC"), its sister affiliates, under the same terms and conditions as VGDC's promissory note to VGC.

By Order dated September 8, 1994, the Commission granted Applicant authority to issue up to $1.5 million aggregate principal amount of debt in the form of a promissory note to VGC and to lend a portion of the amount borrowed to VGEC and/or VGSC in the form of a promissory note.

By letter dated December 15, 1994, Applicant requests that the Commission amend the affiliate provisions of the authority granted in its Order of September 8, 1994, to permit VGDC to lend a portion of the $1.5 million borrowed from VGC to VGEC and/or VGSC at an interest rate that is two percentage points (2.0%) higher that the interest rate on Applicant's promissory note to VGC. Applicant represents that the authority requested is for the recovery of administrative costs associated with funds loaned to affiliates.

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. The Commission is also of the opinion that the recovery of those costs should be in the form of fees rather than additional interest. Accordingly,

IT IS ORDERED:

1) That the Commission's Order dated September 8, 1994, be and hereby is amended to authorize VGDC to charge a reasonable fee for the recovery of administration costs on funds loaned to either VGEC or VGSC or both, all in the manner, under the terms and conditions, and for the purposes as set forth in the amended application;

2) That the authority granted in ordering paragraph one (1) of this Order shall have no implications for ratemaking purposes;

3) That all other requirements and provisions of the September 8, 1994 Order shall remain in full force and effect; and

4) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940024
FEBRUARY 28, 1995

APPLICATION OF
KENTUCKY UTILITIES COMPANY

For authority to incur short-term indebtedness

ORDER AMENDING AUTHORITY GRANTED

By Order dated November 14, 1994, Kentucky Utilities Company ("Applicant") was authorized to issue short-term indebtedness, in amounts not to exceed $100,000,000 outstanding at any time through December 31, 1996. On February 13, 1995, Applicant petitioned the Commission to have the limit increased from $100,000,000 to $150,000,000. Applicant believes that increasing the short-term debt limit to $150,000,000 will allow it flexibility in timing its entrance in the long-term debt markets. All the remaining terms and conditions outlined in the original application are unchanged.

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 increase in the short-term debt limit will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue short-term debt, in an amount not to exceed $150,000,000 outstanding at any time through December 31, 1996, all in a manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That all the requirements and guidelines prescribed in the November 14, 1994 Order, except as modified herein, shall remain in full force and effect; and

3) That this matter shall be continued subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF940028
FEBRUARY 21, 1995

APPLICATION OF
UNITED CITIES GAS COMPANY
and
UCG ENERGY CORPORATION

For authority to issue common stock to an affiliate

ORDER AMENDING AUTHORITY GRANTED

On December 15, 1994, the Commission issued an Order authorizing United Cities Gas Company ("Applicant" or "United Cities") to issue up to 350,000 shares of United Cities' stock with an aggregate value of $5,000,000 to UCG Energy Corporation ("UCG Energy") in a private placement effective January 1, 1995, under the terms and conditions and for the purposes set forth in the application. The shares of stock and other consideration were to be used by UCG Energy to acquire a 44 percent interest in Woodward Marketing, Inc. UCG Energy and Woodward Marketing, Inc. then planned to form a Delaware limited liability company.

By letter dated February 15, 1995 ("the Letter"), United Cities notified the Commission of a change in the terms set forth in its original application. This change in the structure of the acquisition transaction was deemed necessary by United Cities in order to avoid potential adverse tax consequences for UCG Energy. In the Letter, Applicant requested that the Commission amend its Order Granting Authority if necessary to allow United Cities to provide the stock to UCG Energy as a sale of stock rather than an equity contribution.

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. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to sell up to 350,000 shares of common stock with an aggregate value of $5,000,000 to UCG Energy under the terms, as amended by letter dated February 15, 1995, and conditions and for the purposes set forth in the application; and

2) That all other provisions of the December 15, 1994 Order shall remain in full force and effect.

CASE NO. PUF940035
JANUARY 13, 1995

APPLICATION OF
VIRGINIA NATURAL GAS, INC.
and
CONSOLIDATED NATURAL GAS COMPANY

For authority to issue short-term debt, long-term debt, and common stock to an affiliate

ORDER GRANTING AUTHORITY

On November 21, 1994, Virginia Natural Gas Company ("VNG") and Consolidated Natural Gas Company ("CNG") (collectively, "Applicants") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for VNG to have authority to incur up to $100,000,000 in short-term borrowings through participation in the CNG System Money Pool ("Money Pool"). The amount of short-term debt proposed by VNG is in excess of five percent of capitalization as defined in § 56-65.1 of the Code of Virginia. In addition, Applicants seek authority for VNG to issue and sell up to $53,400,000 of common stock and $24,900,000 of long-term debt to CNG. Applicants have paid the requisite fee of $250.

By Order dated June 4, 1992, in Case No. PUF920020, the Commission authorized VNG to borrow up to $50,000,000 through participation in the Money Pool for the period of July 1, 1992 through March 31, 1995. VNG now requests authority to continue its participation in the Money Pool with aggregate borrowings not to exceed $100,000,000 for the period of April 1, 1995 through June 30, 1997. VNG represents that the requested level of money pool borrowing authority is needed to provide adequate financing flexibility for its projected level of capital expenditures over the next several years. Money Pool borrowings will be used to provide working capital and they will bear the same interest rate as CNG's weighted average effective cost rate on commercial paper and revolving credit borrowings.

VNG also requests authority to issue up to $24,900,000 of long-term notes and $53,400,000 of common stock to CNG on or before June 30, 1997. The proposed amount of common stock will be issued at a price equal to VNG's book value per share, as determined by the latest available financial statements just prior to issuance, but will not be in excess of 1,335 shares. The terms and conditions of the proposed debt will match those of whatever CNG debt issue occurs closest to VNG's debt issuance, within the period extending from twelve months prior to twelve months after VNG's debt issuance. VNG represents that proceeds from the proposed issuance of common stock and long-term debt will be used to reduce Money Pool borrowings, finance construction of major improvements in its distribution system, and for other proper purposes to meet its public utility obligations.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That VNG is authorized to incur up to $100,000,000 in short-term indebtedness through participation in the Money Pool from April 1, 1995 through June 30, 1997, under the terms and conditions and for the purposes set forth in the application;

2) That VNG is hereby authorized to issue and sell up to $53,400,000 of common stock and $24,900,000 of long-term debt to CNG through the period ending June 30, 1997, under the terms and conditions and for the purposes set forth in the application;

3) That VNG shall file reports of action taken pursuant to the authority granted in ordering paragraph (1), within sixty days of the end of each calendar year, to include the amounts advanced from the Money Pool, the respective date and interest rate for each advance, daily aggregate balance of all advances, a schedule of repayments, the amounts invested in the Money Pool, the interest rate paid on amounts invested, and a proforma schedule of anticipated Money Pool borrowings in the upcoming year;

4) That VNG shall submit a preliminary report within (7) seven days after the issuance of any common stock or long-term debt pursuant to ordering paragraph (2), to include the date of issuance, type of security, amount issued, and the respective interest rate, date of maturity, and other terms and conditions of any debt issuance;

5) That within sixty (60) days after the end of each calendar quarter in which any securities are issued pursuant to ordering paragraph (2), VNG shall file a more detailed report with respect to all securities sold during the calender quarter to include:

(a) a summary of the information noted in ordering paragraph (4);

(b) the cumulative amount of securities issued to date pursuant to ordering paragraph (2) and the amount of authority remaining; and

(c) a general statement concerning the purposes for which the securities were issued, and a balance sheet reflecting the actions taken for the respective quarter ended;

6) That approval of the application does not preclude the Commission from applying the provisions of Section 56-78 and 56- 80 of the Code of Virginia hereafter;

7) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia;

8) That approval of the application shall have no implications for ratemaking purposes;

9) That Applicant shall file a final report of action on or before September 2, 1997, to include all the information outlined in ordering paragraph (3) for VNG's Money Pool activity during 1997, and the information outlined in ordering paragraph (5), summarizing all financing authorized pursuant to ordering paragraph (2); and

10) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950001
MARCH 23, 1995

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to issue and sell common stock and/or debt securities

ORDER GRANTING AUTHORITY

On February 10, 1994, United Cities Gas Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue up to $200,000,000 of the Company's secured or unsecured debt securities ("Debt Securities"), and/or common stock ("Common Stock"). Applicant has paid the requisite fee of $250.

Applicant proposes to issue the Debt Securities and/or Common Stock (collectively, "Proposed Securities") in one or more series, from time to time, over a two year period from the date of the order in this case. Applicant intends for any Debt Securities to be issued with maturities ranging from nine months to twenty-nine years and nine months. Moreover, Applicant requests broad flexibility regarding the actual terms and conditions of the Proposed Securities to accommodate prevailing market conditions at the time of issuance. No maximum interest rate was stated in the application.

The net proceeds from the sale of the Proposed Securities will be added to the Company's general funds and 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 proper corporate purposes. The Company intends to divide the $200,000,000 of Proposed Securities into $110,000,000 of Debt Securities and $90,000,000 in Common Stock. In a follow-up letter dated February 28, 1995, the Company responded to a Staff inquiry, stating that an interest rate cap of 250 basis points over the yield on United States Treasury securities of comparable maturity was acceptable for any Debt Securities.

The Commission, upon consideration of the application and representations of Applicant 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. The Commission is of the further opinion and finds that a cap on the interest rate of 250 basis points over the comparable maturity United States Treasury rate is appropriate. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue and sell up to $200,000,000 of additional Common Stock and/or Debt Securities through March 31, 1997, 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 solely for the purpose of refunding Applicant's higher coupon debt results in cost savings;

2) That any Debt Securities authorized herein shall be issued at a yield (stated interest rate adjusted for discount or premium) not to exceed by 250 basis points the yield to maturity at the time of issuance on United States Treasury securities of comparable maturity, excluding issuance costs;

3) That Applicant shall submit a Preliminary Report within seven (7) days after the issuance of any Proposed Securities pursuant to this Order including the date, type, amount, interest rate, and price or proceeds to the Company;

4) That within sixty (60) days after the end of each calendar quarter through March of 1997 in which any securities are issued pursuant to this Order, Applicant shall file a more detailed Report with respect to all securities sold during the calendar quarter to include:

(a) a list of agreements executed for the purpose of issuing the Proposed Securities;

(b) the issuance date, type of security, amount issued, interest rate, comparable term Treasury yield to maturity (or interpolated yield) at the time of issue, date of maturity, underwriters' names, underwriters' fees, other expenses to date, and net proceeds to the Applicant, as each term may be applicable to the particular issuance;

(c) the cumulative amount of Proposed Securities issued under the authority granted herein, and the amount remaining under authority for issuance;

(d) a statement of the purposes for which the Proposed Securities were issued, and if the purpose is to refund a higher coupon outstanding issue, a detailed cost/benefit analysis supporting the cost savings, including call premiums, issuance expenses, and unamortized issuance cost of the original issue;

(e) a balance sheet reflecting the change in capital structure due to the issue(s);

5) That Applicant shall file a final Report of Action on or before June 30, 1997, to include a detailed account of the expenses and fees paid to date for issuing the Proposed Securities with an explanation of any variance to the estimated expenses contained in the Financing Summary attached to the application;

6) That approval of the application shall have no implications for ratemaking purposes; and

7) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950004
MARCH 27, 1995

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On March 2, 1995, Craig-Botetourt Electric Cooperative ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue and sell up to $1,570,000 from the Rural Utilities Service ("RUS"). Applicant has paid the requisite fee of $25.

The RUS loan is considered a hardship loan and, as such, is being made at an interest rate of 5.0% for a term of 35 years. There is no concurrent lender required as a result of the hardship status. The proceeds from the loan will be used to finance certain extensions of and improvements to Applicant's distribution system. Applicant expects to begin drawing against the loan on May 1, 1995. While Applicant did not propose to limit its authority to a certain period of time, the obligation of the RUS to advance funds under the loan may terminate after four years.

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 will not detrimental to the public interest. The Commission is of the further opinion that Applicant's authority should only extend through December 31, 1998. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to borrow up to $1,570,000 from the RUS for the purposes and under the terms and conditions set forth in the application, through the period ending December 31, 1998;

2) That within 60 day after the end of any calendar year in which Applicant borrows a portion of the funds authorized in ordering paragraph 1, Applicant shall file an annual Report of Action containing i) a summary of the amounts borrowed in the preceding calendar year, ii) the remaining dollar amount of borrowing authority, and iii) a balance sheet as of the end of the calendar year;

3) That Applicant shall file a Final Report of Action on or before March 1, 1999, containing a summary of all borrowings under the authority granted in ordering paragraph 1, and a balance sheet as of the end of the calendar year; and

4) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950005
APRIL 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED CITIES GAS COMPANY,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Economics and Finance ("the Division") instituted an investigation of the Defendant, United Cities Gas Company ("United Cities" or "the Company"), pursuant to Virginia Code § 56-65.1. Section 56-65.1 requires the Company to seek Commission approval to exceed short-term debt levels in excess of five percent (5%) of its capitalization. Section 56-71 of the Code provides for fines and penalties for incurring indebtedness in excess of the 5% amount authorized by the Commission.

As a result of its investigation, the Division alleges:

(1) That, pursuant to a Commission order entered on November 23, 1993, in Case No. PUF930054, United Cities was authorized to issue short-term debt in excess of 5% of its capitalization in an aggregate amount not to exceed $45,000,000 at any one time through December 31, 1994;

(2) That, for a total of 22 days in November 1994 and December 1994, United Cities exceeded its authorized limit of $45,000,000 of short-term debt; and

(3) That, by exceeding its authorized short-term debt limit in November and December of 1994, Defendant violated § 56-65.1.

In an Admission and Consent attached hereto, Defendant admits that it violated § 56-65.1 of the Virginia Code. The Defendant also admits the Commission's jurisdiction and authority to enter this order.

As an offer to settle all matters arising from the allegations made against it, the Defendant has offered and agreed to comply with the following terms and undertakings:

(1) United Cities will pay a fine to the Commonwealth of Virginia in the amount of four thousand five hundred dollars ($4,500) to be paid contemporaneously with the entry of this order. This payment will be made by check payable to the Treasurer of the Commonwealth of Virginia and directed to the attention of the Director of the Division of Economics and Finance;

(2) United Cities will also pay contemporaneously with the entry of this order the sum of five hundred dollars ($500) to defray the cost of 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 Economics and Finance;

(3) Any fines and costs paid in accordance with this order shall not be recovered as a part of the Company's cost of service. Any such fines and costs shall be booked in Uniform System of Accounts No. 426.3 (Penalties). The Company shall verify its books by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting; and

(4) The Company will file by June 30, 1995, a report detailing the control procedures designed to monitor its § 56-65.1 requirements and actual short-term debt outstanding.

The Division recommends that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15. Accordingly,

IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the offer of settlement made by United Cities be, and hereby is, accepted;

(2) That, pursuant to Virginia Code § 56-71, United Cities be, and it hereby is, fined the amount of $4,500;

(3) That the sum of $4,500 tendered contemporaneously with the entry of this order is accepted;

(4) That, pursuant to § 12.1-15, United Cities shall pay the sum of $500 to defray the cost of this investigation;

(5) That the sum of $500 tendered contemporaneously with entry of this order is hereby accepted;

(6) That the fines and costs detailed herein shall not be recovered as a part of the Company's cost of service and shall be booked in Uniform System of Accounts No. 426.3 which shall be verified when the Company sends to the Commission's Division of Public Utility Accounting a copy of the trial balance showing this entry;

(7) That the Company shall file in this proceeding, on or before June 30, 1995, a report detailing the control procedures to monitor its § 56-65.1 requirements and actual short-term debt outstanding; and

(8) That this case is hereby continued until further order of the Commission.

NOTE: A copy of the "Admission and Consent" 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. PUF950006
MAY 25, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue debt securities

ORDER GRANTING AUTHORITY

On May 2, 1995, Virginia Electric and Power Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue and sell one or more series of up to $500,000,000 in aggregate principal amount of First and Refunding Mortgage Bonds ("New Bonds"). Applicant has paid the requisite fee of $250.

The proceeds from the sale of the New Bonds will be used to finance a portion of the Company's capital requirements including construction and upgrading of facilities, operating and maintenance costs, and refunding of outstanding securities.

The coupon rates and maturities of the New Bonds will be determined in accordance with conditions in the financial markets at the time of issuance. Maturities are expected to be between one (1) and forty (40) years and underwriting fees for the New Bonds are not expected to exceed one (1) percent of the principal value of each issue. The Company has filed a shelf registration with the Securities and Exchange Commission for the New Bonds. The Company proposes to issue the New Bonds over an indefinite time period, as financial market conditions permit.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the authority should be granted for a limited period of time, or through May 31, 1997. In addition, the Commission is of the opinion that the interest rate shall not exceed 140% of the yield to maturity of a comparable maturity U. S. Treasury security at the time of issuance. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue up to $500,000,000 of First and Refunding Mortgage Bonds through May 31, 1997, under the terms and conditions and for the purposes set forth in the application provided that the issuance of refunding bonds results in cost savings to Applicant;

2) That Applicant is hereby authorized to amortize the call premiums and other expenses associated with refunding including negative carry expenses for refunding issues only, over the life of the specified refunding New Bonds;

3) That the interest rate on any New Bonds issued under authority granted in ordering paragraph one(1) shall not exceed 140% of the yield to maturity on a comparable maturity U.S. Treasury security at the time of issuance;

4) That Applicant shall track separately invested amounts of proceeds from New Bonds and the associated investment income during any period of negative carry;

5) That Applicant shall promptly file with the Commission a copy of the Securities and Exchange Commission registration statement in its final form;

6) That Applicant shall submit a preliminary Report of Action within ten (10) days after the issuance of any New Bonds issued pursuant to this Order including the date issued, the amount of the issue, the coupon rate, the maturity date, the comparable U. S. Treasury rate and an explanation for the maturity chosen;

7) That within sixty (60) days after the end of each calendar quarter in which any New Bonds are issued, Applicant shall file a more detailed Report of Action with respect to the New Bonds issued including the date and amount of each series, the coupon rate, date of maturity, net proceeds to Applicant, an itemized list of all expenses to date associated with each issue, the cost of negative carry with supporting calculations and sources of such amounts, a list of uses of the proceeds, a comparison of the effective rates on the New Bonds and any refunded debt issues to demonstrate savings to Applicant, a list of all contracts and underwriting agreements regarding the sale or marketing of the New Bonds, a statement regarding the remaining value of New Bonds which may be issued with respect to the shelf registration described herein and a balance sheet reflecting the actions taken;

8) That Applicant shall file a Final Report of Action on, or before July 31, 1997, to include all information required in Ordering Paragraph 7 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;

9) That approval of this application shall have no implications for ratemaking purposes; and

10) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950007
JUNE 2, 1995

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to issue debt

ORDER GRANTING AUTHORITY

On May 8, 1995, The Potomac Edison Company ("Potomac Edison", "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia for authority to issue long-term debt. Applicant has paid the requisite fee of $250.

Potomac Edison proposes to issue and sell, in one or more series, up to $61,834,900 in junior subordinated debentures ("debentures") prior to December 31, 1998. The proceeds will be used by Applicant for the sole purpose of retiring, prior to maturity, its outstanding preferred stock. The interest rate on the debentures will be determined at the time of issuance based on market conditions. Applicant represents that the interest rates on the debentures will be such that retiring the existing preferred stock will result in a net cost savings. The debentures may have maturity of up to 50 years.

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 will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell up to $61,834,900 of junior subordinated debentures under the terms and conditions and for the purposes as stated in the application on or before December 31, 1998, provided the refunding of the preferred stock results in cost savings to Applicant;

2) That Applicant shall submit a preliminary Report of Action within seven days after the issuance of any junior subordinated debentures pursuant to this Order to include the issuance date, the amount of the issue, the interest rate, the maturity date, and the series of preferred stock retired;

3) That within 60 days after the end of each calendar quarter in which any debentures are issued, Applicant shall file a more detailed Report of Action with respect to the debentures to include, the date and amount of each series, the interest rates, the maturity date, net proceeds to Applicant, an itemized list of expenses to date associated with each issue, the series of preferred stock retired with an analysis demonstrating the cost savings associated with the refunding and a balance sheet reflecting the action taken;

4) That Applicant's Final Report of Action shall be due on or before February 28, 1999, to include a summary of all information filed in the Reports of Action pursuant to Ordering paragraph 3, in addition to the information, if required, related to the issuance of debentures in the quarter ended December 31, 1998;

5) That the authority granted herein shall have no implications for ratemaking purposes; and

6) That this matter shall be continued, subject to the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF950008
JUNE 2, 1995

APPLICATION OF
KENTUCKY UTILITIES

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On May 15, 1995, Kentucky Utilities Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue and sell up to $50,000,000 of additional first mortgage bonds ("Bonds"). Applicant has paid the requisite fee of $250.

The proceeds from the sale of the Bonds will be used primarily to refund outstanding short-term debt and for other corporate purposes. The interest rates and maturities of the Bonds will be determined in accordance with conditions in the financial markets at the time of each issue. Applicant expects the maturities to be between one (1) and forty (40) years. Interest rates on the Bonds will be set at the time of issuance through competitive bidding or negotiations with underwriters or directly with purchasers of the Bonds or their agent(s). Underwriting fees or compensation paid in connection with a public offering or private placement of the Bonds are not expected to exceed 1.5 percent of the principal value of each issue. Applicant proposes to

issue the bonds within a twenty-four month period. By letter dated May 30, 1995, Applicant stated that the maximum interest rate on the bonds would be equal to 150 basis points above the rate of a U.S. Treasury security of a similar maturity.

THE COMMISSION, upon consideration of the application and subsequent representations of Applicant, and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue and sell up to $50,000,000 of additional first mortgage bonds through June 30, 1997, under the terms and conditions and for the purposes set forth in the application;

2) That the interest rate on the Bonds shall not be greater than 150 basis points above the rate of a U. S. Treasury security of a similar maturity;

3) That Applicant shall submit a preliminary Report of Action within seven (7) days after the issuance of any Bonds pursuant to this Order including the date issued, the amount of the issue, the interest rate, the maturity date, the comparable U. S. Treasury rate, and an explanation for the maturity chosen;

4) That within sixty (60) days after the end of each calendar quarter in which any Bonds are issued, Applicant shall file a more detailed Report of Action with respect to the Bonds issued including the issuance date and amount of each series, date of maturity, the interest rate, a summary of any provisions related to a variable or convertible interest rate, effective yield to maturity rate, date of maturity, net proceeds to Applicant, an itemized list of all expenses to date associated with each issue, a list of uses of the proceeds, a copy of the Supplemental Indenture executed to issue the Bonds, a list of all contracts and underwriting agreements regarding the sale or marketing of the Bonds, sinking fund schedule, redemption or call provisions, a statement regarding the remaining value of Bonds which may be issued with respect to the authority granted described herein and a balance sheet reflecting the actions taken;

5) That Applicant shall file a Final Report of Action on, or before August 31, 1997, 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;

6) That approval of this application shall have no implications for ratemaking purposes; and

7) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950009
JUNE 15, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue medium-term notes

ORDER GRANTING AUTHORITY

On May 22, 1995, Virginia Electric and Power Company ("Applicant") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue and sell up to $200,000,000 in aggregate principal amount of unsecured medium-term notes ("Notes"). Applicant has paid the requisite fee of $250.

Applicant will file a shelf registration for $200 million aggregate maximum principal amount of the Notes with the Securities and Exchange Commission ("SEC"). Applicant seeks approval from the Commission to issue and sell the Notes, from time to time, over an indefinite time period, with maturities from nine (9) months to thirty (30) years, as the financial markets and the needs of the Applicant warrant. Applicant represents that the Notes will be marketed through agents or when warranted, by itself. The interest rate may be fixed or floating based on a designated index.

Applicant proposes to determine interest rate and redemption provisions on each Note at the time of sale on the basis of the maturity of the Notes and the current financial market condition. However, by letter dated June 6, 1995, Applicant represents that the interest rate on any fixed rate Notes would not exceed 140% of the then current yield to maturity on United States Treasury security of comparable maturity. Applicant will have the ability to sell the Notes denominated in U.S. dollars or in foreign currency units. If non-U.S. dollar denominated Notes are issued, Applicant will enter into currency exchange agreements to protect against currency exchange risks for the Note. Funds from the sale will be used for construction, maintenance and upgrading of its electric system, and refunding or repaying other indebtedness.

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 authority should be granted for a limited period of time, or through May 31, 1997. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell unsecured medium-term notes up to an aggregate maximum principal amount of $200 million, under the terms and conditions and for the purposes set forth in the application provided that the issuance of any Notes for the purpose of refunding outstanding securities prior to maturity results in cost savings to Applicant;

2) That the interest rate of any fixed rate Notes issued under the authority granted in ordering paragraph one (1) shall not exceed 140% of the yield to maturity on comparable maturity U.S. Treasury security at the time of issuance;

3) That Applicant shall promptly file with the Commission a copy of the SEC registration statement in its final form;

4) That Applicant shall submit a preliminary report within seven (7) days after the issuance of any Note pursuant to this Order including the date of the issue, the amount issued, the coupon rate, the maturity date, the comparable U.S. Treasury rate and an explanation for the timing of the issue and type (foreign or domestic) of security issued, and, for Notes denominated in non-U.S. currency, the U.S. denominated rate which was not selected;

5) That within sixty (60) days after the end of each calendar year, beginning with December 31, 1995, Applicant shall file a report showing actual expenses and fees paid during the year for the Note program;

6) That within sixty (60) days after the end of each calendar quarter in which any Note(s) is issued pursuant to this Order, Applicant shall file a more detailed report with respect to all Notes sold during said calendar quarter, which shall provide the date, type (foreign or domestic), and amount of the issue(s), coupon rate, net proceeds to Applicant, the cumulative principal amount issued under the authority granted herein, the amount remaining to be issued, a general statement of the purposes for which the Notes were issued, a comparison of the effective rates on the new Notes and any refunded debt issues to demonstrate savings to Applicant, and a balance sheet reflecting the actions taken;

7) That Applicant shall file a final report of action, on or before July 31, 1997, to include all information required in Ordering Paragraph 6 which incorporates then-current actual expenses and fees paid for the proposed financings with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the Company's application;

8) That approval of this application shall have no implications for ratemaking purposes; and

9) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF950010
JULY 27, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to borrow under a credit facility

ORDER GRANTING AUTHORITY

On June 28, 1995, 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 a five-year credit facility with a syndicate of financial institutions in the aggregate amount of $300 million. The Company has paid the requisite fee of $250.

Loans under the credit facility will be through either a revolving credit loan facility or a competitive advance facility and may have a maturity of up to five years. The terms and conditions of loans under the credit facility will be governed by a credit agreement between the Company and members of the credit facility syndicate, with Chemical Bank acting as a lender and as administrative agent. Interest rates under the revolving credit loan facility will be based on one of several interest rate options. A facility fee equal to nine basis points of the credit facility amount and an administrative fee of $10,000 will be charged annually by the banks for providing the facility. Proceeds from loans under the credit facility may be used by the Company for general corporate purposes, but the facility will serve primarily as liquidity support for Virginia Power's commercial paper program. Borrowings under the credit facility will be accounted for as short-term debt, except that borrowings with a term of more than twelve months will be accounted for as long-term debt.

The credit agreement for which the company seeks approval is apparently intended to replace the current Inter-company Credit Agreement (ICA) between Virginia Power and Dominion Resources, Inc. (DRI), although the Company's application did not set forth a plan to terminate the ICA. The ICA has a long history, beginning with its approval first in Case No. PUA830051 and then in Case No. PUE830060. The latter case dealt with the corporate reorganization of Virginia Power and DRI. In each of those cases, the ICA was approved for a limited period of time. In 1987, however, the ICA was approved with a provision for automatic annual extensions in Case No. PUA870039.

The ICA became the source of some controversy in Case No. PUF910034 wherein the Staff recommended against continuation of DRI's joint lines of credit. These lines were initially used to support DRI's commercial paper program which, in turn, funded both utility and nonutility activities. Following a downgrade of DRI's commercial paper, Virginia Power set up its own commercial paper program but continued to use the ICA for access to the joint lines of credit. Although the Commission did not adopt the Staff's recommendation to require separate lines of credit for Virginia Power, the controversy over the ICA continued and was one of the affiliate agreements reviewed by the Staff's consultants in Case No. PUE940051, which is the pending investigation of Virginia Power and DRI. Most recently in Case No. PUF940022, the Commission directed the Company to study alternatives to the ICA. In that case, we approved the Company's request for an extension of the ICA, on an interim basis, subject to the outcome of the investigation in Case No. PUE940051. We also stated that we would make a decision on the ICA and the sharing of the lines of credit upon conclusion of Case No. PUE940051.

On March 31, 1995, the Company filed its report in Case No. PUF940022 stating that the Company had studied alternatives to the ICA and had concluded that it should secure its own lines of credit. In its current application, Virginia Power states that the new credit facility "will eliminate the need for the Company to borrow funds under the ICA by providing the Company with direct access to short-term capital markets through direct bank lines of credit."

The Staff has advised the Commission that, based upon its review of previous DRI joint credit agreements and the new, recently negotiated DRI agreements, Virginia Power has been able to secure more favorable terms for its credit facility than DRI. In addition to lower costs for Virginia Power, the Staff states that separate credit facilities for Virginia Power and DRI will also help insulate Virginia Power from the nonutility subsidiaries of DRI.

THE COMMISSION, upon consideration of the application, subsequent information provided by Virginia Power and Dominion Resources, Inc. 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. Although we previously stated that continuation of the ICA would be decided after the conclusion of Case No. PUE940051, it now appears that the issue has been fully evaluated by the Company and the Staff. Therefore, it is not necessary to wait for the completion of that investigation in order to address the ICA and joint lines of credit. Based upon the Company's representations, it appears that Virginia Power no longer seeks to continue with the ICA. We will, however, provide Virginia Power and Dominion Resources, Inc. an opportunity to comment on the possible termination of the ICA. Accordingly,

IT IS ORDERED:

1) That Virginia Power is authorized to borrow under the credit facility under the terms and conditions and for the purposes set forth in the application;

2) That the Company shall file an executed copy of the credit agreement promptly after it becomes available;

3) That, as long as the ICA remains effective, aggregate borrowings by Virginia Power under the ICA, the new credit facility and Virginia Power's commercial paper program shall not exceed $300 million;

4) That the authority granted herein shall have no implications for ratemaking purposes;

5) That a copy of this order shall be served on Dominion Resources, Inc.;

6) That, on or before August 11, 1995, Virginia Power shall and DRI may file comments in both this docket and in Case No. PUE940022 setting forth reasons, if any, why Virginia Power should continue its ICA with DRI and, if the ICA is to be terminated, setting forth the details of such termination; and

7) That this case shall be continued subject to the ongoing review of the Commission.

CASE NO. PUF950010
AUGUST 3, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to borrow under a credit facility

CORRECTING ORDER

On July 27, 1995, an Order Granting Authority was issued wherein a date of August 11, 1995, was set forth for comments to be filed by Virginia Power and Dominion Resources, Inc. in this docket and in Case No. PUE940022. The reference to the latter case is incorrect and should instead be Case No. PUF940022, the case in which the Commission granted interim approval of the Inter-Company Credit Agreement. Accordingly,

IT IS ORDERED that the reference to Case No. PUE940022 in the sixth ordering paragraph of our July 27, 1995 order is hereby corrected to read Case No. PUF940022.

CASE NO. PUF950012
AUGUST 10, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to establish a trust preferred securities financing facility

ORDER GRANTING AUTHORITY

On July 21, 1995, Virginia Electric and Power Company ("Applicant" or "Company") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to: 1) set up a business trust, Virginia Power Capital Trust I ("Trust"), under the laws of the state of Delaware, 2) cause the Trust to issue up to $135,000,000 of monthly interest preferred securities to investors through a public offering and up to $5,000,000 of common securities to Virginia Power (together, "Trust Securities"), 3) issue up to $140,000,000 of Virginia Power Series A Junior Subordinated Notes ("Notes") to the Trust, which would use the proceeds from the sales of the Trust Securities to purchase the Notes, and 4) 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 and for other general corporate purposes. The dividend rate of the monthly interest preferred

securities will be based on then current market rates for similar securities and established through arm's length negotiations. The Junior Subordinated Notes will bear interest at a rate equal to the dividend rate on the preferred securities. The rate for both types of securities is expected to be fixed over a 30-year term.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is of the further opinion and finds that the authority should be granted for a limited period through September 31, 1996. Accordingly,

IT IS ORDERED:

1) That 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, provided that the financings result in cost savings to the Company, to include:

(a) establishing Virginia Power Capital Trust I 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 liquidation amount of $140,000,000;

(c) purchasing the Trust Common Securities of the Trust;

(d) issuing up to $140,000,000 of Series A Junior Subordinated Notes, for the purpose and under the terms and 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) That Applicant shall submit a preliminary Report of Action within ten (10) days after the issuance of any Notes 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) That within sixty (60) days after the end of the calendar quarter in which the Notes and Trust Securities are issued, Applicant shall file a more detailed Report of Action with respect to the financings including the date and amount of Notes issued, the interest rate, date of maturity, net proceeds to Applicant, an itemized list of all expenses to date associated with the financings, the uses of the proceeds, a comparison of the effective rate on the Notes 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, a balance sheet reflecting the actions taken;

4) That Applicant shall file a Final Report of Action on, or before October 31, 1996, 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;

5) That approval of this application shall have no implications for ratemaking purposes; and

6) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950013
AUGUST 18, 1995

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For authority to continue to participate in a loan program

ORDER GRANTING AUTHORITY

On July 26, 1995, Southside Electric Cooperative ("Southside", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to continue to participate in an energy conservation loan program with the Rural Electrification Administration ("REA"). Applicant has paid the requisite fee of $25.

In Case Nos. PUA820104, PUA850012, PUA870012, PUA890015, PUF910017, and PUF930036 Southside was authorized to participate in the Energy Resources Conservation Loan Program ("Loan Program") under the provisions of REA Bulletin 20-23, Section 12. Under the Loan Program, REA advanced funds to Southside at an interest rate of 2% per annum, with the stipulation that Applicant loan the funds to its members at a rate not to exceed 5% per annum. The funds are used by Applicant's members for energy conservation measures. Applicant now proposes to continue to participate in the loan program through July 1, 1997, by deferring the principal repayments. Applicant will continue to pay interest to RUS at a rate not to exceed 2% per annum.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that Southside's continued participation in the Loan Program will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to continue to participate in the Loan Program through July 1, 1997, by deferring principal repayment, for the purposes and under the terms and conditions as described in the application;

2) That on or before September 30, 1997, Applicant shall file directly with the Division of Economics and Finance, a Report of Action to include for the year ended July 31, 1997, the interest expense, administrative expenses, total amount of loan defaults, and interest income associated with the Loan Program; and

3) That there appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUF950014
AUGUST 25, 1995

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For authority to assume obligations as guarantor for loans made to its customers

ORDER GRANTING AUTHORITY

On August 2, 1995, Delmarva Power & Light Company ("Delmarva", "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia for authority to assume obligations as a guarantor for loans made by Wilmington Trust Company ("Wilmington Trust") to qualifying Delmarva customers. The Application was completed on August 3, 1995, with the filing of the requisite fee of $250.

Under the Company-sponsored residential customer loan program, Delmarva will guarantee payment of loans made by Wilmington Trust to qualifying Delmarva customers. Loan proceeds will be used to purchase and/or install products and services to serve customers' energy related needs.

Wilmington Trust will be responsible for processing applications, making credit decisions using its customary underwriting standards, and handling all loan servicing and administration. Wilmington Trust will also be responsible for compliance with all applicable banking and lending laws. Delmarva is acting as guarantor in order for its customers to obtain reduced rate loans. As guarantor, Delmarva is responsible for loans that remain delinquent after 90 days. Delmarva will be paid, by Wilmington Trust, a guarantee fee equal to a percentage of the expected finance charges estimated to be paid over the life of the loan.

The Company further proposes that the revenues and expenses of this loan program be treated as unregulated for ratemaking purposes. Additionally, the Company has proposed a cap of $10 million for loans made under both the commercial and industrial loan program and the residential loan program. Delmarva states that, if either program proves so successful that a higher cap is needed, the Company will request a higher limit.

The Staff has also received the Company's representation that no customer's utility service would be cancelled on the ground that loan payments had not been made. We accept the representation and expect the Company to adhere to it strictly.

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 will not be detrimental to the public interest. However, the Commission is of the further opinion and finds that the proper ratemaking treatment of the revenues and expenses would be more properly addressed in the context of the Company's next rate proceeding. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to act as guarantor for its residential customers under the terms and conditions and for the purposes as proposed in the application;

2) That Applicant shall maintain adequate records which detail the revenues and all direct costs and related overhead connected with this program;

3) That the authority granted herein shall have no implications for ratemaking purposes; and

4) That there appearing nothing further to be done in this matter it is hereby dismissed.

CASE NO. PUF950015
SEPTEMBER 29, 1995

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue short-term debt and sell commercial paper to affiliates

ORDER GRANTING AUTHORITY

On August 8, 1995, Washington Gas Light Company ("WGL" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to incur up to $150,000,000 of short-term debt and for authority to 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 $150,000,000 for the period October 1, 1995, through September 30, 1996. 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:

1) That WGL is authorized to incur short-term indebtedness in an amount not to exceed $150,000,000 outstanding at any time from October 1, 1995, through September 30, 1996, under the terms and conditions and for the purposes set forth in the application;

2) That 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) That 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) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia;

5) That approval of the application shall have no implications for ratemaking purposes;

6) That Applicant shall file a report of action on or before December 2, 1996, that shows WGL's daily short-term debt activity from October 1, 1995, through September 30, 1996, 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, 1996; and

7) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950016
SEPTEMBER 29, 1995

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 8, 1995, Washington Gas Light Company ("WGL") and Shenandoah Gas Company ("Shenandoah") (collectively, "Applicants") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority for WGL to make, and Shenandoah and Frederick Gas Company, Inc. ("Frederick") to receive, interest bearing cash advances ("Advances") on open account. Applicants have paid the requisite fee of $250.

WGL proposes to make Advances to Frederick and Shenandoah up to the aggregate outstanding amounts of $29,000,000 and $25,000,000, respectively, from October 1, 1995, through September 30, 1996. The advances will be used to finance construction programs, gas purchases, and other proper corporate purposes of Frederick and 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. The Commission is of the further opinion that a monthly interest rate based on WGL's consolidated embedded cost of senior capital, excluding non-utility subsidiary investment, should be calculated in a manner consistent with the methodologies approved for WGL by Final Order of the Commission in Case No. PUE940031. Accordingly,

IT IS ORDERED:

1) That WGL is authorized to make open account Advances to its affiliates, Frederick and Shenandoah, from October 1, 1995, through September 30, 1996;

2) That Shenandoah is authorized to receive open account Advances from WGL;

3) That the total aggregate amount outstanding at any one time of Advances made to Frederick and Shenandoah shall be $29,000,000 and $25,000,000, respectively;

4) That the Advances shall be made under the terms and conditions and for the purposes set forth in the application;

5) That the cost rate on the Advances shall reflect the methodologies approved in Case No. PUE940031 to calculate WGL's consolidated embedded cost of senior capital, excluding non-utility subsidiary investment;

6) That approval of the application does not preclude the Commission from applying the provisions of Section 56-78 and 56-80 of the Code of Virginia hereafter;

7) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia;

8) That approval of the application shall have no implications for ratemaking purposes;

9) That Applicant shall file a report of the action taken pursuant to the authority granted herein on or before December 2, 1996, including a schedule of Advances, showing the outstanding Advance balance on September 30, 1995, the amount and date of subsequent Advances, the corresponding interest rates, any repayments made by Frederick and Shenandoah, the maximum outstanding balance during each month; and

10) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950017
SEPTEMBER 21, 1995

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to issue debt securities

ORDER GRANTING AUTHORITY

On August 16, 1995, GTE South Incorporated ("Applicant" or "the Company") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue and sell up to $450,000,000 in aggregate principal amount of debentures. Additional information was filed on August 30, 1995, and the application was deemed complete. Applicant has paid the requisite fee of $250.

Applicant has unused authority of $150,000,000 in debentures from a previous shelf registration filing with the SEC. Applicant will file a shelf registration for an additional $300,000,000 principal amount of debentures with the Securities and Exchange Commission ("SEC") in late 1995. Applicant seeks approval from the Commission to issue and sell up to a maximum of $450,000,000 debentures, from time to time, in one or more series over a two year period, with maturities from five (5) years to forty (40) years, as the financial markets and the need of the Applicant warrant. Applicant also seeks flexibility to issue the debentures through private placement, negotiated sale, or public offering through competitive bidding. The interest rate is expected to be fixed.

Applicant proposes to determine interest rate and redemption provisions on the basis of the maturity of the debentures and the current financial market condition at the time of issuance. Applicant represents that the interest rate on any fixed rate debentures would not exceed 150% of the then current yield to maturity on United States Treasury securities of comparable maturity. Proceeds will be used to refinance outstanding debt and to pay off short-term borrowings.

The Commission, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell debentures up to an aggregate maximum principal amount of $450,000,000 under the terms and conditions and for the purposes set forth in the application, provided that the issuance for the purpose of refunding outstanding securities prior to maturity results in cost savings to Applicant;

2) That the interest rate on any debentures issued under the authority granted in ordering paragraph one (1) shall not exceed 150% of the yield to maturity on the comparable maturity U.S. Treasury securities at the time of issuance;

3) That Applicant shall promptly file with the Commission a copy of the SEC Form S-3 registration statement for the $300,000,000 in debentures in its final form;

4) That Applicant shall submit a preliminary report within ten (10) days after the issuance of any debentures pursuant to this Order including the date of the issue, the amount issued, the coupon rate, the maturity date, the comparable U.S. Treasury rate, and an explanation for the timing of the issue;

5) That, within sixty (60) days after the end of each calendar quarter in which any debentures are issued pursuant to this Order, Applicant shall file a more detailed report with respect to all debentures sold during the calendar quarter, which shall provide the date, and amount of the issue(s), coupon rate, call provisions, net proceeds to Applicant, the cumulative principal amount issued under the authority granted herein, the amount remaining to be issued, a general statement of the purposes for which the debentures were issued, a comparison of the effective rates on the debentures and any refunded debt issues to demonstrate savings (including losses on reacquired debt) to Applicant, and a balance sheet reflecting the actions taken;

6) That Applicant shall file a final report of action, on or before September 30,1 997, to include all information required in Ordering Paragraph 5 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;

7) That approval of this application shall have no implication for ratemaking purposes; and

8) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950018
OCTOBER 18, 1995

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to issue long-term securities

ORDER GRANTING AUTHORITY

On August 31, 1995, Appalachian Power Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue up to $360,000,000 in aggregate amount of long-term securities in the form of either First Mortgage Bonds or unsecured notes from time to time through December 31, 1996. Applicant has paid the requisite fee of $250.

By letter dated September 22, 1995, the Company amended its application to include a third type of security it would consider issuing, secured promissory notes. Applicant indicates that at least $310,000,000 of the proceeds from the proposed transaction may be used to refund outstanding long-term debt or to repay short-term debt. The remainder may be used for expenditures including construction and for other corporate purposes, including sinking fund payments on preferred stock. Applicant requested the flexibility to issue either First Mortgage Bonds, unsecured notes, or secured promissory notes. The interest rates and other terms will be determined in accordance with conditions in the financial markets at the time of each issue.

The Company has of authority to issue $70,000,000 bonds for refinancing remaining in Case No PUF940002 which it requested be extended through December 31, 1996 and included as part of the aggregate amount of authority requested in this case.

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. PUF940002 is included in the total amount of authority requested in this case, Case No. PUF940002 be terminated and superseded by the authority granted herein. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby 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, provided that the issuance of any securities for refunding results in demonstrable cost savings to Applicant.

2) The authority granted in Case No. PUF940002 for the unissued portion of the $275,000,000, or $70,000,000, shall be terminated and superseded by the authority granted herein.

3) Applicant shall submit a preliminary Report of Action within seven (7) 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 breakeven 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, 1997, 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.

CASE NO. PUF950019
NOVEMBER 3, 1995

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On September 12, 1995, 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 $2.9 million of debt from its parent company, Virginia Gas Company ("VGC"), in the form of a promissory note. Applicant also proposes to lend proceeds from the $2.9 million loan to its affiliates, Virginia Gas Exploration Company ("VGEC"), Virginia Gas Storage Company ("VGSC"), Virginia Gas Pipeline Company ("VGPC"), and/or VGC, 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 $10.0 million 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, VGEC, VGSC, and VGPC, for the purpose of providing funds to acquire, improve, construct and equip a natural gas distribution facility in the Russell County, Virginia, town of Lebanon 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 representations of Applicant, 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 authorized from the date of this Order through November 30, 1996:

   (a) to issue up to $2,900,000 aggregate principal of debt in the form of a promissory note to VGC; and

   (b) to loan a portion of the proceeds from the amount borrowed under the authority granted in ordering paragraph 1(a) to VGSC, VGEC, VGPC, and/or VGC 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 VGEC, VGSC, VGPC, and/or VGC to VGDC.

7) Applicant shall file a final report of action on or before January 30, 1997, to include:

   (a) a balance sheet for VGC, VGDC, VGSC, VGEC, 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. PUF950019
DECEMBER 6, 1995

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For authority to incur indebtedness

ORDER 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 aggregate principal of debt in the form of a promissory note to Virginia Gas Company ("VGC"), its parent company, and to loan a portion of the proceeds allocated it, in the form of a promissory note, to Virginia Gas Storage Company ("VGSC"), all in the manner, and under the terms and conditions, and for the purposes as set forth in the application.

In its application, VGDC represented that its parent company, VGC, would derive the funds for the proposed financing arrangements from the issuance of up to $10,000,000 of Exempt Facility Revenue Bonds by the Industrial Development authority of Russell County on behalf of VGDC and its affiliates, including VCSC.

By letter dated November 30, 1995, Virginia Gas Distribution Company has requested that the authority granted be amended to allow these financing transactions between VGDC and VGC to be funded with the issuance of Exempt Facility Revenue Bonds by the Industrial Development Authority of Russell County and/or the Industrial Development Authority of Buchanan County. In support of its request VGDC represents that the Industrial Development Authority of Buchanan, through a resolution passed in 1993 and supplemented in 1994, agreed to issue up to $8,000,000 in bonds for the development of a natural gas distribution facility and supporting assets in and near the Town of Grundy in Buchanan County. To date, the Industrial Development Authority of Buchanan has issued only $4,250,000 in bonds, thus retaining authority to issue $3,750,000 in Exempt Facility Bonds. In light of the remaining authority under the resolution, VGC is considering additional natural gas facilities in and near the Town of Grundy in Buchanan County.

THE COMMISSION, upon consideration of the request for amended authority is of the opinion and finds that amending the authority as proposed by VGDC will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) The authority granted in Case No. PUF950019 is hereby amended to allow the funding of the proposed financing transactions approved by the Commission to come from the issuance of Exempt Facility Revenue Bonds from the Industrial Development Authority of Russell County and/or the Industrial Development Authority of Buchanan County.

2) All of the other terms and conditions as outlined in the Commission's November 3, 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. PUF950020
NOVEMBER 3, 1995

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On September 12, 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 borrow up to $847,000 of debt from its parent company, Virginia Gas Company ("VGC") in the form of a promissory note. Applicant also proposes to borrow a portion of the $2.9 million loan proceeds to be allocated to Virginia Gas Distribution Company ("VGDC") for the purpose of acquiring supporting assets for VGDC's distribution facility.

Applicant states that funds for the proposed financing arrangements will come from the issuance of up to $10.0 million 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 Russell County, Virginia town of Lebanon 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 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 representations of Applicant, 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 authorized from the date of this Order through November 30, 1996:

(a) to issue up to $847,000 aggregate principal of debt in the form of a promissory note to VGC; and

(b) to borrow a portion of the Bond proceeds allocated to VGDC in the form of a promissory note to 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 VGC and from, VGSC to VGDC.

7) Applicant shall file a final report of action on or before January 30, 1997, to include:

(a) a balance sheet for VGC, VGDC, VGSC, VGEC, 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. PUF950020
DECEMBER 6, 1995

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For authority to incur indebtedness

ORDER AMENDING THE AUTHORITY GRANTED

By Commission Order dated November 3, 1995, Virginia Gas Storage Company ("VGSC") was authorized to issue up to $847,000 aggregate principal of debt in the form of a promissory note to Virginia Gas Company ("VGC"), its parent company, and to borrow a portion of the Bond proceeds allocated to Virginia Gas Distribution Company ("VGDC") in the form of a promissory note to VGDC, all in the manner, and under the terms and conditions, and for the purposes as set forth in the application.

In its application, VGSC represented that its parent company, VGC, would derive the funds for the proposed financing arrangements from the issuance of up to $10,000,000 of Exempt Facility Revenue Bonds by the Industrial Development authority of Russell County on behalf of VGDC and its affiliates, including VCSC.

By letter dated November 30, 1995, Virginia Gas Storage Company has requested that the authority granted be amended to allow these financing transactions between VGSC and VGC to be funded with the issuance of Exempt Facility Revenue Bonds by the Industrial Development Authority of Russell County and/or the Industrial Development Authority of Buchanan County. In support of its request VGSC represents that the Industrial Development Authority of Buchanan, through a resolution passed in 1993 and supplemented in 1994, agreed to issue up to $8,000,000 in bonds

for the development of a natural gas distribution facility and supporting assets in and near the Town of Grundy in Buchanan County. To date, the Industrial Development Authority of Buchanan has issued only $4,250,000 in bonds, thus retaining authority to issue $3,750,000 in Exempt Facilities Bonds. In light of the remaining authority under the resolution, VGC is considering additional natural gas facilities in and near the Town of Grundy in Buchanan County.

THE COMMISSION, upon consideration of the request for amended authority is of the opinion and finds that amending the authority as proposed by VGSC will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) The authority granted in Case No. PUF950020 is hereby amended to allow the funding of the proposed financing transactions approved by the Commission 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.

2) All of the other terms and conditions as outlined in the Commission's November 3, 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. PUF950022
OCTOBER 12, 1995

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to lease general business equipment and machinery

ORDER GRANTING AUTHORITY

On September 20, 1995, Virginia Electric and Power Company ("Virginia Power" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia. In its application Virginia Power requests that its authority to enter into financing leases be expanded. Applicant has paid the requisite fee of $250.

In Case No. A-409, the Commission first authorized Virginia Power to enter into financing leases for computer equipment and business machines. The authority was granted subject to dollar limitations being set for fair market value of leased property at $6,000,000 and for aggregate annual rental payments at $1,500,000. The dollar limitations imposed have been subsequently increased to the current limits of $20,000,000 for fair market value of, and $6,000,000 for the aggregate annual rental payment of all such leased property. Such amounts, in each case, are net of the fair market value of, and net of rentals from, subleased property, if any.

Virginia Power now requests that its authority be expanded. Applicant requests that, in addition to computer equipment and business machines, it be authorized to enter into financing leases for general business equipment and machinery, including vehicles. Applicant also proposes that the aggregate fair market value of all equipment leased and the annual basic rental payments for all such equipment be increased to $60,000,000 and $18,000,000, respectively, net of the fair market value of, and rentals from, subleased equipment, if any. Virginia Power states that no single piece of equipment leased under this authority shall have a market value greater than $10,000,000.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to lease computer equipment, business machines, general business equipment and machinery, including vehicles, provided that the fair market value of and annual aggregate lease payments for such equipment do not exceed $60,000,000 and $18,000,000, respectively, all under the terms and conditions and for the purposes as stated in the application.

2) On or before April 1 of each year, Applicant shall file with the Division of Economics and Finance a report of action to include the fair market value and lease payments of equipment leased during the year, the fair market value and lease payments of equipment terminated during the year, the aggregate fair market value and lease payments of equipment leased, and the fair market value and lease payments of equipment subleased.

3) The authority granted herein shall have no implications for ratemaking purposes.

4) The authority granted in Case No. PUA900035 is hereby terminated and superseded by the authority granted herein.

5) There appearing nothing further to be done in this matter it is hereby dismissed.

CASE NO. PUF950023
NOVEMBER 2, 1995

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY
and
AMERICAN WATER WORKS COMPANY, INC.

For authority to issue debt and common stock

ORDER GRANTING AUTHORITY

On October 10, 1995, Virginia-American Water Company ("Virginia-American") and American Water Works Company. Inc. ("AWW:) (jointly "Applicants") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to issue $4,600,000 in general mortgage bonds ("the Bonds") and $1,400,000 in common stock. Applicants have paid the requisite fee of $250.

Virginia-American proposes to issue the Bonds to Nationwide Life Insurance Company and the common stock to AWW, its parent company. The Bonds will have a fixed interest rate of 6.91% and will mature on December 1, 2005. The Bonds will be non-callable prior to maturity. The net proceeds from the sale of the Bonds will be used to fund the 11% Series bonds maturing on December 1, 1995, to finance the ongoing construction program, and to pay down short-term debt. The proceeds from the common stock issuance will be added to Virginia-American's general funds and used to finance its capital requirements and to maintain its targeted equity ratio.

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) Virginia-American is hereby authorized to issue and sell up to $4,600,000 of general mortgage bonds and up to $1,400,000 in common stock, all in a manner, under the terms and conditions, and for the purposes as set forth in the application.

2) The authority granted herein shall not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter.

3) The Commission reserves the right to examine the books of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia.

4) Approval of the application shall have no implications for ratemaking purposes.

5) Virginia-American shall submit a Preliminary Report within ten (10) days after the issuance of any securities pursuant to this Order including the date, type, amount, interest rate, and price or proceeds to the Virginia-American.

6) Virginia-American shall file a final Report of Action, within sixty (60) days after issuance (but no later than September 30, 1996) to include a detailed account of the expenses and fees paid to date for issuing the Bonds and common stock with an explanation of any variance to the estimated expenses contained in the Financing Summary attached to the application.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950024
NOVEMBER 27, 1995

APPLICATION OF
GTE SOUTH, INCORPORATED

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 3, 1995, GTE South, Incorporated ("GTE South", "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to incur short-term indebtedness in an amount not exceeding $550,000,000 in aggregate during the period December 1, 1995 through December 31, 1996, and to borrow and invest funds on a short-term basis under an intercompany financing agreement with GTE Corporation through December 31, 1996. 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.

The proposed short-term indebtedness will be in the form of commercial paper. Interest rates will vary daily depending on market conditions and maturities may vary from one to 270 days. The proposed affiliate transactions will require the issuance of promissory notes. The interest rates for the promissory notes may also vary daily. Applicant states that it does not intend to limit itself to intercompany financings alone; rather, it will constantly monitor the capital markets to obtain the most attractive rates available.

Applicant states that the short-term borrowings will be used to reimburse its treasury for past expenditures related to on-going operations and construction programs, to meet 1996 operational and capital expenditure requirements, and to provide bridge financing to retire certain high cost long-term debt prior to the issuance of debentures later in 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 incur total short-term indebtedness in excess of twelve percent of total capitalization in an aggregate amount not to exceed $550,000,000 at any one time from December 1, 1995 through December 31, 1996, for the purposes and under the terms and conditions set forth in the application and as modified herein.

2) Applicant is hereby authorized to borrow through intercompany financings provided the costs of such borrowings are equal to or lower than GTE South's costs for comparable borrowings in the commercial paper market.

3) Applicant is hereby authorized to invest funds on a short-term basis with GTE Corporation from December 1, 1995 through December 31, 1996, for the purposes and under the terms and conditions as described by Applicant.

4) Applicant shall seek subsequent approval from the Commission if the terms and conditions of the affiliate agreement approved herein should change.

5) Approval of this application does not preclude the Commission from applying the provisions of Sections 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 authority granted herein, pursuant to Section 56-79 of the Code of Virginia.

7) Approval of this application shall have no implications for ratemaking purposes.

8) On or before March 1, 1997, Applicant shall file a report of the action taken pursuant to the authority granted herein, to include: a schedule of the daily balance of all commercial paper borrowings; a schedule of affiliate short-term borrowings, repayments, and investments; corresponding interest rates on all reported transactions; in the case of affiliate borrowings, the comparable GTE South commercial paper rate; and a balance sheet and statement of cash flows for Applicant and GTE Corporation as of December 31, 1996.

9) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950025
DECEMBER 6, 1995

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 13, 1995, 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 for 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 56-65.1. Applicant has paid the requisite fee of $250.

United Cities requests authority to borrow up to $75,000,000 of short-term debt during calendar year 1996. 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 applied to increase working capital and for the construction, extension, improvement and/or additions to its facilities until financial market conditions are appropriate for entering into long-term financing arrangements.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue short-term debt in excess of twelve percent of capitalization in an aggregate amount outstanding not to exceed $75,000,000 at any one time for the calendar year ended December 31, 1996, under the terms and conditions and for the purposes set forth in the application.

2) Applicant is hereby authorized to lend and borrow short-term debt among it and its subsidiaries up to an aggregate amount of $10,000,000 for the calendar year ended December 31, 1996, under the terms and conditions and for the purposes set forth in the application.

3) Applicant shall file within 60 days of the end of each calendar quarter commencing on May 30, 1996, 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 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to 56-79 of the Code of Virginia.

6) The authority granted herein shall have no implications for ratemaking purposes.

7) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF950027
DECEMBER 7, 1995

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue shares of common stock

ORDER GRANTING AUTHORITY

On November 20, 1995, Roanoke Gas Company ("Roanoke", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue up to 50,000 shares of authorized but unissued common stock in connection with the Company's Key Employee Stock Option Plan ("the Plan"). Applicant has paid the requisite fee of $250.

Under the Plan, the Compensation Committee of Roanoke's Board of Directors may, at its discretion, grant stock options to officers and certain key employees. The price of shares optioned will be the closing price on the Nasdaq National Market on the day the options are granted. If the grant date is not a trading day then the price will be based on the first trading day prior to the day options are granted.

Applicant indicates that the primary purpose of the Plan is to promote the interest of the Company, its shareholders and customers by aiding in attracting, retaining and motivating officers and other key employees of Roanoke and its affiliates. The Plan is designed to accomplish these objectives by providing such officers and key employees with an opportunity to acquire a proprietary interest in the Company by means of options and thereby benefit from the appreciation in the value of the common stock. Applicant represents that the proceeds from the sale of such optioned shares will be applied towards financing the Company's capital requirements and for other proper corporate purposes relating to its utility business.

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 50,000 shares of authorized but unissued common stock pursuant to its Key Employee Stock Option Plan, for the purposes and under the terms and conditions set forth in the application.

2) Applicant shall seek subsequent approval from the commission if the terms and conditions of the Key Employee Stock Option Plan approved herein should change.

3) Approval of this application shall have no implications for ratemaking.

4) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF950029
DECEMBER 14, 1995

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.
and
THE COLUMBIA GAS SYSTEM, INC.

For approval of intercompany financing for 1996

ORDER GRANTING AUTHORITY

On November 27, 1995, 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 1996. Applicant has paid the requisite fee of $250.

Commonwealth requests authority to enter into the following financing arrangements with System, its parent company, during the calendar year of 1996: 1) from time to time, to issue and sell up to $5,000,000 in Common Stock; 2) from time to time, to issue and sell up to $26,200,000 in Promissory Notes; 3) to borrow up to an aggregate of $19,000,000 at any one time in short-term loans from System and/or other affiliated companies through the intrasystem money pool ("Money Pool"); and 4) to invest temporary excess funds, from time to time, in the Money Pool. The $19,000,000 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.

Commonwealth proposes to issue and sell up to 100,000 shares of its common stock with a par value of $50. Commonwealth also proposes to issue Promissory Notes to System not in excess of $26,200,000 during 1996. The proceeds from the sale of Common Stock and Promissory Notes will be used to fund ongoing construction and retire the currently outstanding long-term debt which matures in 1996. Money Pool borrowings will be used to fund peak short-term requirements such as gas purchases and gas storage.

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:

(a) issue and sell up to $5,000,000 in Common Stock to System;

(b) issue and sell up to $26,200,000 in Promissory Notes to System;

(c) borrow through the Money Pool from System and/or other affiliates in excess of twelve percent of capitalization in an aggregate amount not to exceed $19,000,000 at any one time; and

(d) invest temporary excess funds in the Money Pool from January 1, 1996, through December 31, 1996, all in the manner, and under the terms and conditions, and for the purposes set forth in the application.

2) Applicant shall account for all allocated fees associated with System's debtor-in-possession financing agreements such that administrative, commitment, structuring, and facility fees may be separately and individually discernible.

3) Approval of this application shall have no implications for ratemaking purposes.

4) 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.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

6) Applicant shall file 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 according to System notes and notes issued to other affiliates;

(b) monthly schedules that separately reflect interest expenses and each type of allocated fee;

(c) monthly schedules of System's borrowing under its Letter of Credit Agreement;

(d) a report detailing the issuance(s) of Common Stock, to include the number of shares and price per share, date of issuance, and use of the proceeds; and

(e) a report detailing the issuance of any Promissory Note(s), 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.

7) Applicant shall file a final report of action on or before February 28, 1997, to include data for the fourth quarter of 1996 as prescribed in ordering paragraph (6) herein.

8) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF950030
DECEMBER 14, 1995

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to act as guarantor or surety for certain liabilities of subsidiaries

ORDER GRANTING AUTHORITY

On November 13, 1995, Appalachian Power Company ("Appalachian" or "Applicant") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to act as guarantor on certain security instruments required by its coal subsidiaries relating to health benefits under a 1992 United Mine Workers Benefit Plan as mandated by the Coal Industry Retiree Health Benefit Act of 1992 ("the 1992 Act"). The Application was completed on November 22, 1995, with the filing of additional information and the requisite fee of $250.

Four coal company subsidiaries of Appalachian were signatories to the 1988 National Bituminous Coal Wage Agreement ("the 1988 Agreement") which included certain health care benefits to retired mine workers. Appalachian, as owner of the coal companies, was made a party to this obligation by the 1992 Act. The 1992 Act also required that all signatories to the 1988 Agreement secure the health care benefits obligations with letters of credit or surety bonds at three (3) times the projected costs of the health benefits to be recalculated annually. In order to meet the security requirements of the 1992 Act and to minimize the cost of the security instruments, Appalachian requests authorization to indemnify the bank issuing the security up to $9,500,000. The coal subsidiaries will continue to pay the annual health care benefits and any fees associated with the letters of credit or surety bonds.

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 will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to act as guarantor or surety for its coal company subsidiaries as required by the Coal Industry Retiree Health Benefit Act of 1992, under the terms and conditions and for the purposes as set forth in the application.

2) Applicant shall file an annual report with the Division of Economics and Finance commencing February 1, 1997, detailing the total amount of the guarantee obligation for the coming year.

3) The authority granted herein shall have no implications for ratemaking purposes.

4) There appearing nothing further to be done in this matter it is hereby dismissed.

DIVISION OF RAILROAD REGULATION

CASE NO. RRR940004
JANUARY 3, 1995

APPLICATION OF
CSX TRANSPORTATION, INC.

For authority to consolidate its agency service at Covington, Virginia into its Customer Service Center at Jacksonville, Florida

FINAL ORDER

By application dated August 31, 1994, CSX Transportation, Inc. ("CSXT") seeks authority to consolidate its agency service now performed at Covington, Virginia into its Customer Service Center at Jacksonville, Florida. Jurisdiction over non-agency stations at Clifton Forge, Eagle Rock, Goshen and Low Moor would also be transferred from Covington to Jacksonville. On September 13, 1994, the Commission required CSXT to publish notice of its application and directed the Division of Railroad Regulation to investigate the matter.

The Commission permitted public comments and requests for hearing to be filed by October 28, 1994. One written comment objecting to the proposal, from the Mayor of the City of Clifton Forge, was received. There were no requests for hearing.

The Division of Railroad Regulation filed its investigation report on December 16, 1994, as required by the Commission's order of September 13. The Division concluded that the proposed consolidation of service would provide railroad customers with the same services and privileges currently available and would allow CSXT to provide them more efficiently. The changes should not require customers to change the manner in which they conduct agency business, although communications will be received by CSXT in Jacksonville rather than Covington. CSXT has implemented several consolidations from Virginia agencies to Jacksonville, and service appears to have been satisfactory. The Division should continue to monitor CSXT agency service to confirm that it remains adequate.

Based on its investigation, the Division found that CSXT can continue to provide adequate and efficient service to the public if the consolidation were approved. We agree. The application should be granted; accordingly,

IT IS ORDERED:

(1) That CSXT is authorized to consolidate its agency service now performed at Covington, Virginia into its Customer Service Center at Jacksonville, Florida;

(2) That CSXT is authorized to transfer Covington to non-agency station status and to place it and the non-agency stations at Clifton Forge, Eagle Rock, Goshen and Low Moore under the jurisdiction of the Jacksonville Customer Service Center; and

(3) That, there being nothing further to come before the Commission, this Case No. RRR940004 shall be closed and the papers therein shall be place in the Commission's files for ended causes.

CASE NO. RRR940005
FEBRUARY 7, 1995

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to close the Suffolk, Virginia, agency

FINAL ORDER

By application dated September 6, 1994, Norfolk Southern Railway Company ("NS") seeks authority to close its Suffolk, Virginia, agency and reclassify Suffolk to non-agency station status. NS proposes to transfer jurisdiction over Suffolk and the non-agency stations at Yadkin, Kilby, Brico, Windsor, Holland, Edgerton, Lawrenceville, Courtland, Capron, Dreweryville, Green Plain, Emporia, Kingsberry, and Franklin to the NS agency at Norfolk, Virginia. By Order of September 21, 1994, the Commission directed the Division of Railroad Regulation to investigate the matter and permitted public comments and requests for hearing to be filed by December 30, 1994. No comments or requests for hearing have been filed.

The Division filed its investigation report on January 27, 1995, as required by the Commission's order. It found that the Norfolk agency could absorb the functions of the Suffolk agency at a savings of approximately $106,000 annually to NS. Customers served by the Suffolk agency would be able to contact Norfolk by toll-free telephone and facsimile to conduct their agency business. The Division concluded that NS could continue to provide adequate and efficient service if the application were granted.

Based on the Division's report, we find that the application should be granted. Accordingly,

IT IS ORDERED:

(1) That NS is authorized to close its Suffolk, Virginia, agency and transfer Suffolk to non-agency station status under the jurisdiction of the NS agency at Norfolk;

(2) That NS is authorized to transfer jurisdiction over its non-agency stations at Yadkin, Kilby, Brico, Windsor, Holland, Edgerton, Lawrenceville, Courtland, Capron, Dreweryville, Green Plain, Emporia, Kingsberry, and Franklin, Virginia, to the Norfolk agency; and

(3) That there being nothing further to come before the Commission, Case No. RRR940005 is closed, and the papers herein shall be placed in the Commission's files for ended causes.

CASE NO. RRR940006
MARCH 7, 1995

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to abolish Mobile Agency Route NW-VA-4 based at Hopewell, Virginia

FINAL ORDER

By application dated October 7, 1994, Norfolk Southern Railway Company ("NS") seeks authority to abolish its Mobile Agency Route NW-VA-4, based at Hopewell, Virginia, and to transfer the mobile agency duties to the NS base agency at Hopewell. The application also requests authority to change the classification of NS stations at Myrtle, Zuni, Ivor, Wakefield, Waverly and Disputanta, Virginia to non-agency station status under the jurisdiction of the NS Hopewell base agency. On October 19, 1994, the Commission issued an order directing an investigation of the matter by the Division of Railroad Regulation and requiring public notice of the application. Interested parties were invited to file comments or requests for hearing, but none were filed.

The Division of Railroad Regulation filed its investigation report on February 24, 1995, as required by the Commission. The Division found that the NS base agency at Hopewell could absorb the duties of Mobile Agency Route NW-VA-4 at a savings of approximately $51,000 annually to NS. Railroad customers will be able to reach the Hopewell agency by toll-free telephone and facsimile transmission to transact railroad business. The Division concluded that NS can continue to provide adequate and efficient service to the public if Mobile Agency Route NW-VA-4 were abolished.

Based on the Division's investigation, we find that the application should be approved. Accordingly,

IT IS ORDERED:

(1) That NS is authorized to abolish Mobile Agency Route NW-VA-4;

(2) That NS is authorized to transfer its stations at Myrtle, Zuni, Ivor, Wakefield, Waverly and Disputanta, Virginia to non-agency station status under the jurisdiction of the NS base agency at Hopewell, Virginia; and

(3) That, there being nothing further to come before the Commission, Case No. RRR940006 is closed, and the papers herein shall be placed in the Commission's files for ended causes.

CASE NO. RRR940007
APRIL 13, 1995

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to abolish Mobile Agency Route NW-VA-5 based at Roanoke, Virginia, and to transfer duties to the agency at Roanoke, Virginia

FINAL ORDER

By application dated December 13, 1994, Norfolk Southern Railway Company ("NS") seeks authority to abolish its Mobile Agency Route NW-VA-5, based at Roanoke, Virginia, and to transfer the mobile agency duties to the NS base agency at Roanoke. The application also requests authority to change the classification of NS stations at Hollins, Cloverdale, Coling, Cash, Troutville, Buchanan, Glasgow, Loch Laird, Buena Vista, Riverside, Vesuvius, and Lone Star, Virginia to non-agency station status under the jurisdiction of the NS Roanoke base agency. On December 20, 1994, the Commission issued an order directing an investigation of the matter by the Division of Railroad Regulation and requiring public notice of the application. Interested parties were invited to file comments or requests for hearing, but none were filed.

The Division of Railroad Regulation filed its investigation report on April 7, 1995, as required by the Commission. The Division found that the NS base agency at Roanoke could absorb the duties of Mobile Agency Route NW-VA-5 at a savings of approximately $52,696 annually to NS. Railroad customers will be able to reach the Roanoke agency by toll-free telephone and facsimile transmission to transact railroad business. Train service would not be changed by granting the application. The Division concluded that NS can continue to provide adequate and efficient service to the public if Mobile Agency Route NW-VA-5 were abolished.

Based on the Division's investigation, we find that the application should be approved. Accordingly,

IT IS ORDERED:

(1) That NS is authorized to abolish Mobile Agency Route NW-VA-5;

(2) That NS is authorized to transfer its stations at Hollins, Cloverdale, Coling, Cash, Troutville, Buchanan, Glasgow, Loch Laird, Buena Vista, Riverside, Vesuvius, and Lone Star, Virginia to non-agency station status under the jurisdiction of the NS base agency at Roanoke, Virginia; and

(3) That, there being nothing further to come before the Commission, Case No. RRR940007 is closed, and the papers herein shall be placed in the Commission's files for ended causes.

CASE NO. RRR940008
MAY 2, 1995

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to abolish Mobile Agency Route NW-VA-6 based at Roanoke, Virginia, and to transfer duties to the agency at Roanoke, Virginia

FINAL ORDER

By application dated December 13, 1994, Norfolk Southern Railway Company ("NS") seeks authority to abolish its Mobile Agency Route NW-VA-6, based at Roanoke, Virginia, and to transfer the mobile agency duties to the NS base agency at Roanoke. The application also requests authority to change the classification of NS stations at Ito, Halsey, Sims, Clay, Forest, Goode, Lowry, Bedford, Thaxton, Montvale, Dewey, Rocky Mount and Moneta, Virginia to non-agency station status under the jurisdiction of the NS Roanoke base agency. On December 20, 1994, the Commission issued an order directing an investigation of the matter by the Division of Railroad Regulation and requiring public notice of the application. Interested parties were invited to file comments or requests for hearing, but none were filed.

The Division of Railroad Regulation filed its investigation report on April 28, 1995, as required by the Commission. The Division found that the NS base agency at Roanoke could absorb the duties of Mobile Agency Route NW-VA-6 at a savings of approximately $53,163 annually to NS. Railroad customers will be able to reach the Roanoke agency by toll-free telephone and facsimile transmission to transact railroad business. Train service would not be changed by granting the application. The Division concluded that NS can continue to provide adequate and efficient service to the public if Mobile Agency Route NW-VA-6 were abolished.

Based on the Division's investigation, we find that the application should be granted. Accordingly,

IT IS ORDERED:

(1) That NS is authorized to abolish Mobile Agency Route NW-VA-6;

(2) That NS is authorized to transfer its stations at Ito, Halsey, Sims, Clay, Forest, Goode, Lowry, Bedford, Thaxton, Montvale, Dewey, Rocky Mount and Moneta, Virginia to non-agency station status under the jurisdiction of the NS base agency at Roanoke, Virginia; and

(3) That, there being nothing further to come before the Commission, Case No. RRR940008 is closed, and the papers herein shall be placed in the Commission's files for ended causes.

CASE NO. RRR950001
JUNE 2, 1995

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to close the Culpeper, Virginia, agency and place it under the jurisdiction of the agency at Manassas, Virginia

FINAL ORDER

By application filed on January 18, 1995, Norfolk Southern Railway Company ("NS") seeks authority to close its agency at Culpeper, Virginia, and to transfer Culpeper to non-agency station status under the jurisdiction of the NS agency at Manassas, Virginia. The application also requests authority to transfer jurisdiction over non-agency stations at Casanova, Catlett, Calverton, Bealeton, Remington, Elkwood, Brandy Station, Winston, Mitchell, and Rapidan from Culpeper to Manassas. On January 30, 1995, the Commission issued an order directing an investigation of the matter by the Division of Railroad Regulation and requiring public notice of the application. Interested parties were invited to file comments or requests for hearing, but none were filed.

The Division of Railroad Regulation filed its investigation report on May 26, 1995, as required by the Commission. The Division found that the NS agency at Manassas could absorb the duties of Culpeper agency at a savings of approximately $54,658 annually to NS. Railroad customers will be able to reach the Manassas agency by toll-free telephone and facsimile transmission to transact railroad business. Train service would not be changed by

granting the application. The Division concluded that NS can continue to provide adequate and efficient service to the public if the Culpeper agency were closed.

Based on the Division's investigation, we find that the application should be granted. Accordingly,

IT IS ORDERED:

(1) That NS is authorized to close its Culpeper agency and transfer Culpeper to non-agency station status under the jurisdiction of the NS agency at Manassas, Virginia;

(2) That NS is authorized to transfer jurisdiction over its stations at Casanova, Catlett, Calverton, Bealeton, Remington, Elkwood, Brandy Station, Winston, Mitchell and Rapidan, Virginia to the jurisdiction of the NS agency at Manassas, Virginia; and

(3) That, there being nothing further to come before the Commission, Case No. RRR950001 is closed, and the papers herein shall be placed in the Commission's files for ended causes.

CASE NO. RRR950002
JUNE 29, 1995

APPLICATION OF
CSX TRANSPORTATION, INC.

For authority to consolidate existing agency service at Hopewell, Virginia, into its Customer Service Center at Jacksonville, Florida

ORDER GRANTING APPLICATION

By application dated February 16, 1995, CSX Transportation, Inc. ("CSXT") seeks authority to consolidate its existing agency service at Hopewell, Virginia, into its Customer Service Center at Jacksonville, Florida. The application also requests 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, to the Jacksonville Customer Service Center. On March 7, 1995, the Commission issued an order directing an investigation of the matter by the Division of Railroad Regulation and requiring public notice of the application. Interested parties were invited to file comments or requests for hearing, but none were filed.

The Division of Railroad Regulation filed its investigation report on June 16, 1995, as required by the Commission. The Division found that railroad customers will be able to reach the Jacksonville Customer Service Center by toll-free telephone and facsimile transmission to transact railroad business. Train service would not be changed by granting the application. The Commission has already approved several consolidations of CSXT agencies into the Jacksonville Customer Service Center, and CSXT has, by all indications, implemented them successfully.

Several customers expressed concern about the level of agency service they would receive after the consolidation. A meeting was held on May 22, 1995, among CSXT, principal Hopewell shippers and receivers, and Division of Railroad Regulation Staff. Agreement was reached that CSXT would maintain a general clerk or industrial yard master in Hopewell if the proposed consolidation were approved. After six months, the matter would be reviewed to determine whether the position should be permanently retained in Hopewell. The Division concluded that CSXT can continue to provide adequate and efficient service to the public if the Hopewell agency were consolidated into the Jacksonville Customer Service Center, provided that the Hopewell position is retained as agreed at the May 22, 1995 meeting. We agree with that conclusion and will keep this docket open until after the six-month review to which the meeting participants agreed.

Based on the Division's investigation, we find that the application should be granted. Accordingly,

IT IS ORDERED:

(1) That CSXT is authorized to consolidate its existing agency service at Hopewell, Virginia, into its Customer Service Center at Jacksonville, Florida, subject to the conditions to which the participants at the May 22, 1995 meeting agreed;

(2) That CSXT is 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 shall report to the Commission the results of its six-month review of the position retained in Hopewell and the comments of any of its customers on the review;

(4) That CSXT shall not eliminate the position retained in Hopewell without approval of the Commission; and

(5) That this case is continued until further order of the Commission.

CASE NO. RRR950003
OCTOBER 3, 1995

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to close the Radford Virginia agency and place it under the jurisdiction of the agency at Roanoke

ADMINISTRATIVE ORDER

By a letter dated September 11, 1995, Norfolk Southern Railway Company has requested authority to close the Radford Virginia agency and to transfer the agency duties currently under that agency to the Roanoke Agency. The Radford Agency currently has jurisdiction over non agency stations at Elliston, Christiansburg, Walton, Cowan, Wysor, Pulaski, Wytheville, Montgomery, Vicker, Pepper, Belspring, Dublin, Wurno, and Max Meadows, Virginia. The letter further certified that Norfolk Southern Railway Company gave written notice to all active shippers of freight now using the Radford Agency; that notice was govern to all mayors or principal officer of any city, town or county affected by the proposed agency closing; that the notice contained the address of the Commission's Division of Railroad Regulation and a statement that anyone wishing to object may do so by writing the Division within thirty (30) days of date of the notice; that a copy of the notice was placed in the agency office; that Norfolk Southern Railway Company has provided a toll-free facsimile and telephone service to allow the customers to conduct their agency business.

IT APPEARING to the Commission that thirty (30) days has elapsed since the mailing and posting of the notices of closing and no objection or request for hearing have been received. As such the Commission is of the opinion that the request should be granted; accordingly

IT IS ORDERED THAT:

(1) Norfolk Southern Railway Company is authorized to close its Radford agency and transfer Radford to a non-agency station status under the jurisdiction of the Norfolk Southern agency at Roanoke, Virginia.

(2) Norfolk Southern Railway Company is authorized to transfer jurisdiction over its stations in Elliston, Christiansburg, Walton, Cowan, Wysor, Pulaski, Wytheville, Montgomery, Vicker, Pepper, Belspring, Dublin, Wurno, and Max Meadows, Virginia to the Norfolk Southern Agency at Roanoke, Virginia.

(3) AN ATTESTED COPY of this Order be mailed by the Clerk of the Commission to James R. Paschall, Norfolk Southern Corporation, Law Department, Three Commercial Place, Norfolk, Virginia 23510-2191.

(4) 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.

CASE NO. RRR950004
NOVEMBER 7, 1995

APPLICATION OF
NORFOLK SOUTHERN CORPORATION

For authority to close the Narrows, Virginia agency and place it under the jurisdiction of the agency at Roanoke, Va.

ADMINISTRATIVE ORDER

By a letter dated September 18, 1995, Norfolk Southern Corporation has requested authority to close the Narrows, Virginia agency and to transfer duties currently under that agency to the Roanoke agency. The Narrows agency currently has jurisdiction over non-agency stations at Celco, Glen Lynn, Kimballton, Lurich, Parisburg, Eggleston, Ripplemead, Whitehorne, Klotz, Pembroke, Potts Valley, Norcross, Shelby, and McCoy, Virginia. The letter further certified that Norfolk Southern Corporation gave written notice to all active shippers of freight now using the Narrows Agency; that notice was given to all mayors or principal officers of any city, town or county affected by the proposed agency closing; that the notice contained the address of the Commission's Division of Railroad Regulation and a statement that anyone wishing to object may do so by writing the Division within thirty (30) days of date of the notice; that a copy of the notice was placed in the agency office; that Norfolk Southern Corporation has provided a toll-free facsimile and telephone service to allow the customers to conduct their agency business.

IT APPEARING to the Commission that thirty (30) days has elapsed since the mailing and posting of the notices of closing and no objection or request for hearing have been received. As such the Commission is of the opinion that the request should be granted; accordingly,

IT IS ORDERED THAT:

(1) Norfolk Southern Corporation is authorized to close its Narrows agency and transfer Narrows to a non-agency station status under the jurisdiction of the Roanoke agency at Roanoke, Virginia.

(2) Norfolk Southern Corporation is authorized to transfer jurisdictions over its stations in Narrows, Celco, Glen Lynn, Kimballton, Lurich, Pearisburg, Eggleston, Ripplemead, Whitehorne, Klotz, Pembroke, Potts Valley, Norcross, Shelby, and McCoy, Virginia to Roanoke, Virginia agency.

(3) AN ATTESTED COPY of this Order be mailed by the Clerk of the Commission to: James R. Paschall, Norfolk Southern Corporation, Law Department, Three Commercial Place, Norfolk, Virginia 23510-2191.

(4) 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.

CASE NO. RRR950005
DECEMBER 18, 1995

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to close the South Boston Mobile Agency (VA-9) and place it under the jurisdiction of the agency at South Boston, Virginia

ADMINISTRATIVE ORDER

By a letter dated November 13, 1995, Norfolk Southern Railway Company has requested authority to close the South Boston Mobile Agency (VA-9) and to transfer the agency duties currently under that agency to the South Boston, Virginia Agency. The South Boston Mobile Agency (VA-9) currently has jurisdiction over non-agency stations at Mayo Creek, Virginia. The letter further certified that Norfolk Southern Railway Company gave written notice to all active shippers of freight now using the South Boston Mobile Agency (VA-9); that notice was given to all mayors or principal officers of any city, town, or county affected by the proposed agency closing; that the notice contained the address of the Commission's Division of Railroad Regulation and a statement that anyone wishing to object may do so by writing the Division within thirty (30) days of the date of the notice; that a copy of the notice was placed in the agency office; and that Norfolk Southern Railway Company has provided a toll-free facsimile and telephone service to allow the customers to conduct their agency business.

IT APPEARING to the Commission that thirty (30) days has elapsed since the mailing and posting of the notices of closing and no objection or request for hearing have been received. As such, the Commission is of the opinion that the request should be granted; accordingly,

IT IS ORDERED THAT:

(1) Norfolk Southern Railway Company is authorized to close its South Boston Mobile Agency (VA-9) and transfer South Boston Mobile Agency (VA-9) to a non-agency station status under the jurisdiction of the South Boston agency at South Boston, Virginia.

(2) Norfolk Southern Railway Company is authorized to transfer jurisdiction over its stations in Mayo Creek, Virginia to the agency at South Boston, Virginia.

(3) AN ATTESTED COPY of this Order be mailed by the Clerk of the Commission to: James R. Paschall, Esquire, Norfolk Southern Corporation, Law Department, Three Commercial Place, Norfolk, Virginia 23510-2191.

(4) 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. SEC940006, SEC940004, SEC940007, and SEC940005
JANUARY 10, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HOLIFIELD EXPLORATION CORPORATION,
PETROSTAR-HOLIFIELD ENERGY COMPANY,
JAMES GORDON BLUMER, and
PAUL VINCENT DECKER,
Defendants

FINAL ORDER

BY ORDER entered herein on March 11, 1994, the Commission accepted the offers of settlement made by the Defendants and retained jurisdiction in these matters pending compliance by Defendants Holifield Exploration Corporation and Petrostar-Holifield Energy Company with the rescission and restitution provisions of their offers.

As a result of further investigation by the Division of Securities and Retail Franchising, it now appears to the Commission that these Defendants did not comply with the rescission and restitution terms of the order, that these Defendants are no longer in existence, and that these proceedings should be terminated without prejudice to the rights or claims any investor may have against the Defendants; it is, therefore,

ORDERED that all issues raised in these matters concerning the Defendants' alleged violations of the Securities Act of Virginia be, and they hereby are, settled with respect to the rights and claims of only the Commission; that all sanctions, conditions, and undertakings of a continuing nature set forth in the prior order shall remain in effect in accordance with their terms; that this order, solely by reason of its entry, shall not affect any duty or obligation to disclose the existence or nature of these matters or of any order entered herein; and, that these matters be, and they hereby are, dropped from the docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC940028
FEBRUARY 2, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FRANCIS R. DOVE, a/k/a FRANK DOVE,
Defendant

FINAL ORDER

On July 29, 1994, the Commission entered in this case an Order and Judgment that set forth findings and sanctions against the Defendant, Francis R. Dove, a/k/a Frank Dove ("Dove"). Among the sanctions imposed by the Commission, Dove was penalized in the amount of $40,000, provided that this penalty would be forgiven if, in accordance with the provisions in the Order and Judgment, the Defendant made restitution to or otherwise settled with the persons to whom he sold securities in violation of the Securities Act. The Defendant was directed to file by January 1, 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 Defendant has not submitted notification concerning restitution or settlement and (ii) none of the purchasers has been contacted by, or entered into an agreement with, the Defendant regarding restitution or settlement.

In view of the foregoing, the Commission is of the opinion and finds that the Defendant has failed to comply with the provisions of the prior order regarding forgiveness of the penalty, and that this case should be concluded. It is, therefore,

ORDERED AND ADJUDGED:

(1) That the penalty in the amount of $40,000 entered herein against Francis R. Dove by Order and Judgment of July 29, 1994, be, and it hereby is, declared due in full and that the Commonwealth recover of and from the Defendant said sum, with interest thereon at the rate of 9% per year from July 29, 1994, until paid;

(2) That the provisions in the aforesaid Order and Judgment pertaining to the permanent injunction shall remain in full force and effect; and,

(3) That this case be, and it hereby is, dismissed from the docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC940056
OCTOBER 13, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WILLIAM W. PETERMAN,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, William W. Peterman, pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges:

(A) That William W. Peterman, in violation of § 13.1-504 A, transacted business in this Commonwealth as an unregistered agent on behalf of Equipment Marketing Corporation and,

(B) That William W. Peterman, in violation of 13.1-507, offered and sold unregistered securities in this Commonwealth.

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 him, Defendant has offered and agrees to comply with the following terms and undertakings:

1. For a period of five (5) years from the date of this order, Peterman will not (a) seek to become registered as a broker-dealer or as an agent under the Virginia Securities Act, and (b) engage in the offer or sale of any security except in transactions exempted by Virginia Code § 13.1-514 B.1.

2. For a period of five (5) years from the date of this order, Peterman will not actively participate in the Commonwealth of Virginia on behalf of any issuer in the structuring of securities offerings or in the preparation or presentation of documents to be used in the sales of securities in the Commonwealth of Virginia, with the exception of an insurance company subject to the supervision or control of the Commission's Bureau of Insurance.

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 Defendant shall not be registered, or engage in the activities, as described above for a period of five (5) years from and after the date of this order;

(4) That Defendant will not engage in any conduct which constitutes a violation of Virginia Code § 13.1-504 A or Virginia Code § 13.1-507; and

(5) That all issues raised in this matter concerning 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 or of any order entered herein; and, that this matter be, and it hereby is, dropped from the docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC940088
APRIL 21, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LIONEL J. HUNT,
Defendant

FINAL ORDER

On November 22, 1994, the Commission entered in this case an Order and Judgment that set forth findings and sanctions against the Defendant including a $45,000 penalty. That order provided that $40,000 of the penalty was suspended and would be remitted if the Defendant made restitution to, or settled with investors within 120 days and notified the Commission in writing within 125 days whether restitution or settlement had been made. The

Staff has reported to the Commission that the Defendant has 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 $45,000 penalty imposed herein by order dated November 22, 1994 is hereby declared due in full, and that the Commonwealth recover said sum from the Defendant with interest thereon at 9% per year from November 22, 1994 until paid;

(2) That the injunctive provisions contained in said prior order shall remain in full force and effect; and

(3) That this case is dismissed from the docket, and the papers herein be placed in the file for ended causes.

CASE NO. SEC940100
APRIL 4, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MADELINE C. FORTUNATO,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, Madeline C. Fortunato, pursuant to § 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges:

1) That Madeline C. Fortunato ("Fortunato") has been registered under the Act as a broker-dealer agent with Investors Security Company since March 19, 1985;

2) That Fortunato recommended to a customer, namely Brenda Pineda, the purchase of securities without reasonable grounds to believe that the recommendations were suitable for the customer based upon reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other relevant information known by Fortunato, in violation of Securities Act Rule 305A.3;

Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order.

As an offer to settle all matters arising from the allegations made against her, Defendant has proposed and agree to comply with the following terms and undertakings:

(A) That within thirty (30) days of the date of this order, Defendant will make, or cause to be made, a written offer to rescind the sale or sales of units of the Jacques Miller Realty Partners L.P. III which occurred on July 3, 1985 and the sale or sales of units of the National Property Investors 8 which occurred on August 14, 1985 to Brenda Pineda and to make restitution as set forth in paragraph (B), below;

(B) That restitution shall be made as follows: an initial payment of five thousand dollars ($5,000) to Brenda Pineda with the balance of twenty four thousand eight hundred sixty eight dollars and twenty six cents ($24,868.26) to be paid in 36 equal monthly installments in the amount of $690.79 each, beginning April 1995 and ending in April 1998, unless the balance is paid in its entirety before April 1998;

(C) That the Virginia investor will have thirty (30) days from the date of receipt of the offer within which to either accept or reject the offer; and, that the Defendant, if her offer is accepted, will make restitution as provided in paragraph (B), above;

(D) That evidence of compliance with the provisions of paragraphs (A) (B) and (C), above, will be filed with the Division by the Defendant within seven (7) days from the date the final payment is remitted to the Virginia investor or from the date the offer is rejected or lapses, whichever occurs first; that such evidence will be in the form of an affidavit executed by Madeline C. Fortunato which will contain the following information: (i) the date on which the Virginia investor received the offer of rescission; (ii) the date and nature of the Virginia investor's response to the offer; (iii) if applicable, the dates on which payments were remitted to the Virginia investor; and (iv) if applicable, the amount of each payment remitted to the Virginia investor;

(E) That Defendant will append a copy of this order to the offer of restitution; and,

(F) It is recognized and understood that if Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statute based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted, and Defendant will not contest the exercise of the right reserved.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 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 the Commission retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC940104
JANUARY 17, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
RON J. BROWNING-NASH,
Defendant

ORDER AND JUDGMENT

By Rule To Show Cause dated October 27, 1994, 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 12, 1994 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:

1. That an attested copy of the aforesaid Rule To Show Cause was served upon the Defendant as required by law;

2. That the Defendant did not file a pleading or appear in this case;

3. That the Defendant is a natural person;

4. That in June, 1991, the Defendant, acting as agent of companies known as Advanced Global Technologies, Inc. and Insatech International Corporation (the Companies), offered and sold investment contracts in Virginia to certain Virginia residents (the investors);

5. That in offering and selling said investment contracts, the Defendant induced the investors to deliver funds to a third party for the purpose of investment in an enterprise in order to generate income and profit solely through the efforts of third parties;

6. That as stipulated in said investment contracts, the profits from the enterprise were to be shared between the Companies and the investors;

7. That the Defendant was not registered as an agent of either of the Companies under the Virginia Securities Act (the Act);

8. That the investment contracts were never registered under the Act;

9. That the aforesaid acts constitute violations of §§ 13.1-504(A) and 13.1-507 of the Act; and

10. That the Defendant should be penalized for such violations and enjoined from commission of like violations of law in the future. Accordingly, it is

ORDERED:

(1) That pursuant to § 13.1-521 of the Act, the Defendant is penalized in the sum of twenty thousand dollars ($20,000) for his violations of the Act, which sum the Commonwealth shall recover from the Defendant with interest at 9 percent per year until paid; provided that said penalty is suspended and shall be remitted upon the condition that the Defendant, within 60 days from the date of this order, makes restitution to the investors in accordance with § 13.1-522 of the Act, or otherwise settles with them;

(2) That within 65 days from the date of this order, the Defendant shall notify the Commission in writing whether or not the restitution or settlement has been made;

(3) That pursuant to § 13.1-518 of the Act, the Defendant shall pay nine hundred fifteen dollars ($915) as costs of investigation of this case, which sum the Commission shall recover from the Defendant with interest at 9 percent per year until paid;

(4) That the Defendant is hereby permanently enjoined from violation of the provisions of §§ 13.1-504(A) and 13.1-507 of the Act; and

(5) That the Commission retains jurisdiction in this matter for all purposes.

CASE NO. SEC940104
APRIL 21, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
RON J. BROWNING-NASH,
Defendant

FINAL ORDER

On January 17, 1995, the Commission entered in this case an Order and Judgment that set forth findings and sanctions against the Defendant including a $20,000 penalty. That order provided that the penalty was suspended and would be remitted if the Defendant made restitution to, or settled with, investors within 60 days 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 Defendant has 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 $20,000 penalty imposed herein by order dated January 17, 1995 is hereby declared due in full, and that the Commonwealth recover said sum from the Defendant with interest thereon at 9% per year from January 17, 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 this case is dismissed from the docket, and the papers herein be placed in the file for ended causes.

CASE NO. SEC940105
JUNE 8, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MARTIN D. PERRY,
Defendant

FINAL JUDGMENT ORDER

On February 17, 1995, the Commission entered a Judgment and Continuance Order in this case penalizing the Defendant in the sum of five thousand dollars ($5,000) for his failure, without reasonable excuse, to produce documents pursuant to a subpoena issued by the Commission and duly served upon him. Execution upon said penalty was suspended for 30 days upon the condition that the Defendant produce the subpoenaed documents to the Division of Securities and Retail Franchising ("the Division"). The Division was required to report to the Commission concerning the Defendant's production of documents, and this case was continued generally.

Thereafter, the Division reported to the Commission that the Defendant failed to produce all the subpoenaed documents, and also reported to the Commission, based upon its investigation of this case to date, certain alleged violations of the Virginia Securities Act ("the Act") by the Defendant. Upon consideration of said report, upon motion of counsel for the Division, and without objection by Defendant's counsel of record as shown by his endorsement of this order, the Commission is of the opinion and finds as follows:

1. The Defendant is a natural person.

2. In 1993 and 1994, the Defendant, and others, acting as agents for organizations known as Portfolio Marketing Concepts, American Employees Alliance Cooperative and Portfolio Marketing Concepts LifeStyles Center, Inc. ("the organizations"), offered and sold certain securities ("the securities") in Virginia to residents of Virginia ("the investors").

3. One of the securities so offered by the Defendant consisted of stock issued or to be issued by one or more of the organizations.

4. Another security so offered and sold by the Defendant consisted of notes made by Portfolio Marketing Concepts and guaranteed by the Defendant under which, in exchange for money received, investors were to be paid a return which depended, in part, upon profits of an enterprise to be operated by one or more of the organizations.

5. Another security so offered and sold by the Defendant consisted of oral investment contracts pursuant to which, in exchange for money deposited, the investors were to receive a share of the profits of a community goods and services enterprise to be operated by one or more of the organizations.

6. The Defendant was not registered as an agent under the agent registration provisions of the Act.

7. The securities so offered and sold by the Defendant were not registered under the Act.

8. The names of the investors, and the dates and amounts of their investments in the securities described in paragraphs 4 and 5 of this order, are set forth in Exhibit A attached to and made part of this order.

9. No finding or judgment is made with respect to any violation of § 13.1-502 of the Act by the Defendant.

10. The Defendant has violated a Commission order; namely, the subpoena for production of documents referred to herein.

11. As shown by the above findings, the Defendant has violated §§ 13.1-504(A) and 13.1-507 of the Act.

12. The Defendant should be penalized for such violations and enjoined from commission of like violations of law in the future. Accordingly, it is

ORDERED:

(1) That the penalty imposed by order dated February 17, 1994 in this case is vacated;

(2) That pursuant to § 13.1-521 of the Act, the Defendant is penalized in the amount of five thousand dollars ($5,000), which sum the Commonwealth shall recover from the Defendant with interest at 9% per year until paid if not paid within 90 days from the date of this order, but without interest if paid within said 90 days;

(3) That the Defendant is permanently enjoined from violation of §§ 13.1-504(A) and 13.1-507 of the Act in the future; and

(4) That as there appears nothing further to be done in this proceeding, this case is dismissed from the docket and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of Exhibit A entitled "Portfolio Marketing Concept and Martin Perry Notes and Investment 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. SEC940107
AUGUST 24, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SEABOARD INVESTMENT ADVISERS, INC.
and
EUGENE W. HANSEN,
Defendants

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendants, Seaboard Investment Advisers, Inc. and Eugene W. Hansen, pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges:

(A) That Seaboard Investment Advisers, Inc. ("Seaboard"), a Virginia corporation, is registered under the Virginia Securities Act as an investment advisor;

(B) That Eugene W. Hansen ("Hansen"), Chairman of the board of directors of Seaboard, is registered as an investment advisor representative of Seaboard;

(C) That Stewart M. Powers, Jr. ("Powers"), Executive Vice President of Seaboard from December 1987 to December 1991 and President of Seaboard from December 1991 to December 1994, was registered as an investment advisor representative of Seaboard from October 25, 1988 to January 17, 1995;

(D) That Seaboard distributed to clients and prospective clients unsubstantiated data concerning its past performance as an investment advisor, a practice which operated as a fraud or deceit upon such clients or prospective clients and made unlawful by Virginia Code § 13.1-503 A 2 of the Virginia Securities Act;

(E) That Seaboard engaged in dishonest or unethical practices as the Commission has defined in Securities Act Rule 1206 A 13 by publishing, circulating or distributing an advertisement which does not comply with Rule 206 (4)-1 under the Investment Advisers Act of 1940;

(F) That Seaboard, in violation of Virginia Code § 13.1- 503 B of the Virginia Securities Act, in the solicitation of advisory clients omitted to state material facts necessary in order to make the statements made, in light of circumstances under which they were made, not misleading;

(G) That Hansen distributed to clients and prospective clients unsubstantiated data concerning Seaboard's past performance as an investment advisor, a practice which operated as a fraud or deceit upon such clients or prospective clients and made unlawful by Virginia Code § 13.1-503 A 2 of the Virginia Securities Act;

(H) That Hansen distributed to clients unsubstantiated and erroneous data concerning the results of the 1994 Lipper Balanced Fund Index which was reported by Hansen to be a 7% decline when in fact the actual result was negative 2.212%; such practice constitutes violations of §§ 13.1-503 A 4 and 13.1-503 B of the Act, and Rules 1206 A 13 and 1206 B 13 promulgated under the Act.

(I) That Hansen engaged in dishonest or unethical practices as the Commission has defined in Securities Act Rule 1206 B 13 by publishing, circulating or distributing an advertisement which does not comply with Rule 206 (4)-1 under the Investment Advisers Act of 1940;

(J) That Hansen, in violation of Virginia Code § 13.1-503 B of the Virginia Securities Act, in the solicitation of advisory clients omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(K) That Powers distributed to clients and prospective clients unsubstantiated data concerning Seaboard's past performance as an investment advisor, a practice which operated as a fraud or deceit upon such clients or prospective clients and made unlawful by Virginia Code § 13.1-503 A 2 of the Virginia Securities Act;

(L) That Powers engaged in dishonest or unethical practices as the Commission has defined in Securities Act Rule 1206 B 13 by publishing, circulating or distributing an advertisement which does not comply with Rule 206(4)-1 under the Investment Advisers Act of 1940;

(M) That Powers, in violation of Virginia Code § 13.1-503 B of the Virginia Securities Act, in the solicitation of advisory clients omitted to state material facts necessary in order to make the statements made, in light of the circumstances they were made, not misleading.

Defendants neither admit nor deny the allegations, but admit the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the foregoing allegations (and no others), Defendants have offered and agree to comply with the following terms and undertakings:

(A) Defendants will cease distributing any and all performance figures that cannot be substantiated through an audit performed by an independent certified public accounting firm which is not unacceptable to the staff of the Commission;

(B) For calendar years 1995 through and including 1998, Seaboard shall have its performance figures audited no less frequently than semi-annually by an independent certified public accounting firm which is not unacceptable to the staff of the Commission. The audits shall be performed in accordance with standards which are not unacceptable to the staff of the Commission and such audits shall be completed within ninety (90) days of the close of the audited period. For any particular calendar year, Seaboard shall, no earlier than three months prior to the commencement of that year, notify the staff of the Commission of the standards Seaboard intends to use for the audits to be conducted with respect to that year, and the Commission shall, within thirty (30) days of the date of such notice, inform Seaboard in writing of any objections that it has to the proposed standards. If the staff does not object in writing to the standards proposed by Seaboard within the allotted thirty (30) day period, the proposed standards shall be deemed to be acceptable to the Commission. Seaboard shall arrange for the accounting firm to provide a copy of each such audit to the staff of the Commission within thirty (30) days of each audit's completion;

(C) Not withstanding the provisions of paragraph (B) above, beginning with its performance figures for the first quarter of 1995, Seaboard may provide to its consultants and/or clients interim performance figures, prior to the completion of an audit thereof, provided, however, that (1) the interim performance figures are calculated in accordance with the same standards employed for the audited periods; (2) Seaboard shall prominently disclose both that such figures are preliminary and unaudited and that semi-annual or annual audited figures, as the case may be, will be provided when they are available; (3) Seaboard shall provide unaudited performance figures only on a quarterly basis; (4) Seaboard shall not provide unaudited performance figures for any period as to which an audit has been completed; and (5) if unaudited figures are provided in accordance with this paragraph, Seaboard shall provide semi-annual or annual audited performance figures, as the case may be, to all recipients of such unaudited figures within fifteen (15) days of Seaboard's receipt of the audited figures;

(D) For calendar year 1999, Seaboard shall have its annual performance figures audited by an independent certified public accounting firm, which is not unacceptable to the Commission, and file a copy of such audit with the Commission within thirty (30) days of its completion;

(E) Seaboard's Vice President of Compliance will review all of Hansen's completed correspondence before it is mailed or faxed to any party;

(F) Seaboard will pay a penalty to the Commonwealth in the amount of two hundred thousand dollars ($200,000.00);

(G) Seaboard will pay to the Commission the sum of twenty thousand dollars ($20,000.00) as reimbursement for the costs of the Division's investigation;

(H) Seaboard will pay the total sum of two hundred twenty thousand dollars ($220,000.00) in the following manner: forty five thousand dollars ($45,000.00) to be tendered contemporaneously with the entry of this order and the payment of the balance of one hundred seventy five thousand dollars ($175,000.00) to be made in seven equal payments of twenty five thousand dollars ($25,000.00) each on or before December 29, 1995, April 26, 1996, August 30, 1996, December 31, 1996, April 30, 1997, August 29, 1997 and December 31, 1997; and,

(I) It is recognized and understood that if Defendants, or any of them, fail to comply with the foregoing terms and undertakings, then the Commission reserves the right to take whatever additional action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Securities Act or other applicable statute based on the failure to comply as well as on the allegations contained herein and/or such other allegations as are warranted, and that Defendants will not contest the exercise of the right reserved.

The Division has recommended that Defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in 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, Defendants' offer of settlement is accepted;

(2) That Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) That pursuant to Virginia Code § 13.1-521, Seaboard shall pay a penalty to the Commonwealth in the amount of two hundred thousand dollars ($200,000.00) and the Commonwealth recover of and from Seaboard said amount;

(4) That pursuant to Virginia Code § 13.1-518, Seaboard shall pay to the Commission to reimburse it for the costs of the investigation, the sum of twenty thousand dollars ($20,000.00) and that the Commission recover of and from Seaboard said amount;

(5) That forty five thousand dollars ($45,000.00) tendered by Seaboard contemporaneously with this order is accepted as partial payment of the total amount due;

(6) That the balance of the one hundred seventy five thousand dollars ($175,000.00) shall be paid in seven equal payments of twenty five thousand dollars ($25,000.00) each on or before December 29, 1995, April 26, 1996, August 30, 1996; December 31, 1996, April 30, 1997, August 29, 1997, and December 31, 1997; and,

(7) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC950007
JANUARY 23, 1995

APPLICATION OF
ASBURY SERVICES, INC. and ASBURY METHODIST HOMES, INC.

For an Order of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, by counsel to the underwriters, dated January 11, 1995, requesting a determination that a limited guaranty to be issued by Asbury Services, Inc. and Asbury Methodist Homes, Inc. (collectively, the "Guarantors") as part of a bond offering by County Commissioners of Calvert County, a body corporate and politic and a political subdivision of the State of Maryland be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Virginia Code § 13.1-514.1.B.

BASED ON THE INFORMATION submitted the following facts, in addition to others not enumerated herein, appear to exist: County Commissioners of Calvert County (the "County") will lend the proceeds of the Calvert County, Maryland Economic Development Revenue Bonds (Asbury-Solomons Island Facility) Series 1995 (the "Series 1995 Bonds") to Asbury-Solomons, Inc. (the "Corporation") pursuant to a Loan Agreement between the County and the Corporation. The proceeds of the Series 1995 Bonds will be used by the Corporation to finance all or a portion of the costs of acquiring, constructing and equipping a continuing care retirement community to be owned and operated by the Corporation, located in Solomons, Calvert County, Maryland (the "Facility"), known as Asbury-Solomons Island. The Guarantors are each Maryland non-profit, non-stock corporations organized and operated not for private profit but exclusively for charitable purposes. The Guarantors intend to issue as a part of the Series 1995 Bonds, a security, to wit: a limited guaranty which will guarantee, for the equal protection and benefit of the bondholders, (i) up to a maximum of $3,500,000, (a) the full and prompt payment of the principal of, premium, if any, and interest on the Series 1995 Bonds when and as the same shall become due and payable, whether at the stated maturity thereof, at redemption prior to maturity, or otherwise, and (b) the full and prompt payment of an amount equal to the amount of any withdrawal from the Debt Service Reserve Fund, and (ii) up to a maximum of $1,000,000, the full and prompt payment of all amounts necessary to complete the construction, acquisition and equipping of the Facility to the extent that the costs of the acquisition, construction and equipping of the Facility are in excess of the amounts available therefor on deposit in the Construction Fund.

THE COMMISSION, based on the representations made in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the securities described above are exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1.B and shall be offered or sold in Virginia only by broker-dealers which are so registered under the Securities Act.

CASE NO. SEC950008
APRIL 24, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SCOTT ALAN SHULTZ,
Defendant

ORDER AND JUDGMENT

On January 30, 1995, the Commission issued a Rule to Show Cause against the Defendant, Scott Alan Shultz ("Shultz"), which, among other things, scheduled this case for hearing on April 19, 1995, and required the Defendant to file a responsive pleading by March 3, 1995. The Rule was issued pursuant to an investigation conducted under the Securities Act (Va. Code § 13.1-501 et seq.) ("Act") by the Division of Securities and Retail Franchising. The Defendant neither filed a responsive pleading nor appeared at the hearing held on April 19, 1995. The Division was represented by Staff counsel.

The Commission, based upon the pleadings as well as the testimony and exhibits of the Division Investigator, is of the opinion and finds:

(1) The Defendant was duly served with notice of this proceeding by being mailed a copy of the Rule to Show Cause by the Clerk of the Commission.

(2) Shultz is in default on account of having failed to file a responsive pleading and to appear at the hearing.

(3) During the latter months of 1992, Shultz, acting as an agent of Western Resources Energy Corp., offered and sold in this Commonwealth interests in two joint ventures formed to drill for oil and/or gas on leaseholds located in the State of Texas.

(4) Shultz sold in Virginia one one-half interest in the Deep Creek Corsicana #1 Prospect Joint Venture to one Virginia resident and one one-half interest in the W.R. Roxana #1 Well Prospect Joint Venture to the resident's wife.

(5) Shultz sold in Virginia to another Virginia resident one one-half interest in the Deep Creek Corsicana #1 Prospect Joint Venture and one one-half interest in the W.R. Roxana #1 Well Prospect Joint Venture.

(6) The three Virginia residents invested a total of $16,025 in the two joint ventures, were not active in the operation or management of the ventures, and were led by Shultz to expect to receive a profit from each of their investments.

(7) The interests in the joint ventures are securities as defined in Va. Code § 13.1-501 in the nature of investment contracts or interests in an oil and gas lease.

(8) The securities were not registered under the Act when they were offered and sold to the Virginia residents.

(9) Shultz was not registered as an agent under the Act when he offered and sold the securities in Virginia.

(10) The activities described above constitute eight violations of the Act by Shultz, to wit:

(a) Four sales of unregistered securities, each a violation of Va. Code § 13.1-507, and

(b) Transacting business as an unregistered agent on four occasions, each a violation of Va. Code § 13.1-504 A.

(11) As a consequence of his illegal activities, Shultz should be subjected to sanctions, which are set out below.

It is, therefore,

ORDERED and ADJUDGED:

(1) That, pursuant to Va. Code § 13.1-519, Scott Alan Shultz be, and he hereby is, permanently enjoined from transacting business in this Commonwealth as an agent in violation of Va. Code § 13.1-504 or from offering or selling any security in violation of Va. Code § 13.1-507;

(2) That Scott Alan Shultz be, and he hereby is, penalized pursuant to Va. Code § 13.1-521 in the amount of $2,000 per violation for a total penalty amount of $16,000 and that the Commonwealth recover of and from the Defendant said total amount, with interest thereon at the rate of 9% per year until paid; and,

(3) That as there appears nothing further to be done in this case, it is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC950011
MARCH 21, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BIG AL'S FRANCHISING, INC.,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Big Al's Franchising, Inc., pursuant to Virginia Code § 13.1-567.

As a result of its investigation, the Division alleges that the Defendant, in violation of Virginia Code § 13.1-560, offered to grant and granted two franchises for the operation of Big Al's Muffler and Brake Centers in this Commonwealth without such franchises being registered under the Retail Franchising Act. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

As an offer to settle all matters arising from the allegations made against it, the Defendant has proposed and agreed to comply with the following terms and undertakings:

(1) That in connection with any future offer or grant of a franchise in this Commonwealth, the Defendant will comply with the provisions of the Virginia Retail Franchising Act;

(2) That the Defendant will pay the Commonwealth the sum of $8,000.00 as a penalty; and

(3) That the Defendant will pay the Commission the sum of $446.37 for reimbursement for the cost of the Division's investigation.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That in connection with any future offer or grant of a franchise in this Commonwealth, the Defendant shall comply with the provisions of the Virginia Retail Franchising Act;

(3) That pursuant to Virginia Code § 13.1-570, the Defendant pay to the Commonwealth a penalty in the amount of $8,000.00 and that the sum of $8,000.00 tendered by the Defendant contemporaneously with the entry of this order be, and it hereby is, accepted;

(4) That pursuant to Virginia Code § 13.1-567, the Defendant pay to the Commission the sum of $446.37 and that the sum of $446.37 tendered by the Defendant contemporaneously with the entry of this order be, and it hereby is, accepted; and

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC950013
JUNE 1, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BUCKINGHAM OIL COMPANY, INC.,
DARRYL A. BUCKINGHAM and
DENNIS N. BUCKINGHAM,
Defendants

FINAL ORDER AND JUDGMENT

By Rule to Show Cause dated March 8, 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 April 24, 1995 hearing, the Hearing Examiner issued from the bench his Report setting forth his recommended findings of fact and conclusions of law. Thereafter, after the expiration of the time allowed for filing comments on the Hearing Examiner's Report, Defendant Darryl A. Buckingham sent a letter to counsel for the Staff, which letter is accepted and treated as that Defendant's comments on the Report. Upon consideration of the Report and comments, and all testimony and documents received in evidence in this case, the Commission finds:

1. That an attested copy of the aforesaid Rule to Show Cause was served upon the Defendants as required by law;

2. That no Defendant filed a responsive pleading or appeared in the case;

3. That Defendant Buckingham Oil Company, Inc. ("the Company") is and was at all relevant times a corporation;

4. That Defendants Darryl A. Buckingham and Dennis N. Buckingham ("the Buckinghams") are natural persons;

5. That the Company, in 1989 and thereafter, employed the Buckinghams to offer and sell, in Virginia and elsewhere, interests in oil and gas drilling leases or ventures ("the securities");

6. That during that time the Buckinghams, acting as agents of the Company, offered and sold the securities in Virginia in a total of at least 24 transactions with Virginia residents;

7. That neither of the Buckinghams was registered as an agent of the Company under the agent registration provisions of the Virginia Securities Act ("the Act"), Virginia Code § 13.1-501 et seq.;

8. That the securities offered and sold by the Defendants were not registered under the securities registration provisions of the Act;

9. That the aforesaid acts constitute violations of §§ 13.1-504(A), 13.1-504(B), and 13.1-507 of the Act; and

10. That the Defendants should be penalized for such violations and enjoined from commission of like violations of law in the future.

Accordingly, IT IS ORDERED:

(1) That pursuant to § 13.1-521 of the Act, Defendant Buckingham Oil Company, Inc. is penalized in the sum of four hundred eighty thousand dollars ($480,000) for its violations of the Act, which sum the Commonwealth shall recover from said Defendant with interest at 9 percent per year until paid;

(2) That pursuant to § 13.1-521 of the Act, Defendant Darryl A. Buckingham is penalized in the sum of twenty-six thousand dollars ($26,000) for his violations of the Act, which sum the Commonwealth shall recover from said Defendant with interest at 9 percent per year until paid;

(3) That pursuant to § 13.1-521 of the Act, Defendant Dennis N. Buckingham is penalized in the sum of twenty-two thousand dollars ($22,000) for his violations of the Act, which sum the Commonwealth shall recover from said Defendant with interest at 9 percent per year until paid;

(4) That pursuant to § 13.1-518 of the Act, the Defendants, jointly and severally, shall pay one thousand dollars ($1,000) as costs of investigation of this case, which sum the Commission shall recover from the Defendants with interest at 9 percent per year until paid;

(5) That the Defendants are hereby permanently enjoined from violation of the provisions of §§ 13.1-504(A), 13.1-504(B), and 13.1-507 of the Act; and

(6) That this case is dismissed from the docket, and the papers herein shall be placed in the file for ended causes.

CASE NOS. SEC950014, SEC950015, and SEC950016
JUNE 1, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
K. DOUGLAS JOLLY,
NORTHSTAR CAPITAL CORP., and
MICROTECH MANAGEMENT SYSTEMS, INC.,
Defendants

FINAL ORDER AND JUDGMENT

On March 21, 1995, the Commission issued a Rule to Show Cause against the Defendants, K. Douglas Jolly ("Jolly"), Northstar Capital Corp. ("Northstar"), and Microtech Management Systems, Inc. ("Microtech"), pursuant to an investigation conducted under the Securities Act (Va. Code § 13.1-501 et seq.) ("Act") by the Division of Securities and Retail Franchising. The Rule, among other things, scheduled these cases for hearing on May 9, 1995, and required the Defendants to file responsive pleadings by April 10, 1995. The hearing date was continued to May 25, 1995, by order of May 1, 1995. None of the Defendants filed a responsive pleading or appeared at the hearing held on May 25, 1995. The Division was represented by Staff counsel. On motions of Staff counsel, these cases were consolidated for hearing and the Defendants were found to be in default.

The Commission, based upon the pleadings as well as the testimony and exhibits of the Division Investigator, is of the opinion and finds:

(1) Each Defendant was duly served with notice of the proceeding by being mailed a copy of the Rule to Show by the Clerk of the Commission.

(2) Northstar Capital Corp. and Microtech Management Systems, Inc. are corporations formed under the laws of the State of New York, both of which are now defunct. Jolly is the sole officer, director and shareholder of each of the corporations.

(3) During the period from May 1988 to November 1990, Microtech, through its agents Jolly and James E. Good, offered for sale and sold in this Commonwealth its securities in the form of promissory notes, guarantees of these promissory notes and options to purchase shares of its common stock.

(4) In September 1988 and January 1989, Northstar, through its agents Jolly and James E. Good, offered for sale and sold in this Commonwealth its securities in the form of investment contracts or participations in profit-sharing agreements evidenced by a document called a "Commission Agreement."

(5) During the period from April 1989 to December 1990, Jolly, on his own behalf and through his agent James E. Good, offered for sale and sold in this Commonwealth his securities in the form of personal guarantees of Microtech promissory notes as well as personal promissory notes.

(6) Six Virginia residents purchased the securities issued by Microtech, one of these residents purchased the securities issued by Northstar, and three of the residents purchased the securities issued by Jolly.

(7) The Virginia purchasers of the Microtech securities invested a total of $100,000, none of which has been repaid; the Virginia purchaser of the Northstar securities invested $50,000, which has been repaid; and, the Virginia purchasers of the Jolly securities invested $275,000, $150,000 of which has been repaid.

(8) The aforesaid securities were not registered under the Act when they were offered and sold in Virginia.

(9) Jolly and James E. Good were not registered as agents under the Act when they transacted business in Virginia as agents by offering and selling the aforesaid securities.

(10) The activities described above constitute numerous violations of the Act, to wit:

(a) Jolly -- 6 occasions of transacting business in this Commonwealth as an unregistered agent, violations of § 13.1-504 A; 14 occasions of employing an unregistered agent, violations of § 13.1-504 B; and, 18 occasions of selling an unregistered security (12 as an issuer, 6 as an agent), violations of § 13.1-507.

(b) Northstar -- 4 occasions of employing an unregistered agent, violations of § 13.1-504 B, and 2 occasions of selling an unregistered security, violations of § 13.1-507.

(c) Microtech -- 12 occasions of employing an unregistered agent, violations of § 13.1-504 B, and 10 occasions of selling an unregistered security, violations of § 13.1-507.

(11) James E. Good offered to settle all Securities Act issues arising from his Virginia activities in connection with the Defendants, which offer was accepted by Commission order entered in Case No. SEC940135 (Dec. 22, 1994).

(12) As a consequence of their illegal activities, the Defendants should be subjected to sanctions, which are set forth below.

Accordingly, it is

ORDERED AND ADJUDGED:

(1) That K. Douglas Jolly,

(a) Pursuant to Va. Code § 13.1-519, be, and he hereby is, permanently enjoined from transacting business in this Commonwealth as an agent in violation of Va. Code § 13.1-504 A, from employing as an agent in violation of Va. Code § 13.1-504 B, or from offering or selling any security in violation of Va. Code § 13.1-507, and

(b) Pursuant to Va. Code § 13.1-521, be, and he hereby is, penalized in the amount of $5,000 per violation for a total penalty amount of $190,000 and that the Commonwealth recover of and from Jolly said total amount, with interest thereon at the rate of 9% per year until paid;

(2) That Northstar Capital Corp.,

(a) Pursuant to Va. Code § 13.1-519, be, and it hereby is, permanently enjoined from employing an agent in violation of Va. Code § 13.1-504 B or from selling any security in violation of Va. Code § 13.1-507, and

(b) Pursuant to Va. Code § 13.1-521, be, and it hereby is, penalized in the amount of $5,000 per violation for a total penalty amount of $30,0000 and that the Commonwealth recover of and from Northstar said total penalty, with interest thereon at the rate of 9% per year until paid;

(3) That Microtech Management Systems, Inc.,

(a) Pursuant to Va. Code § 13.-519, be, and it hereby is, permanently enjoined from employing an agent in violation of Va. Code § 13.1-504 B or from selling any security in violation of Va. Code § 13.1-507, and

(b) Pursuant to Va. Code § 13.1-521, be, and it hereby is, penalized in the amount of $5,000 per violation for a total penalty amount of $110,000 and that the Commonwealth recover of and from Microtech said total penalty amount, with interest thereon at the rate of 9% per year until paid;

(4) That, pursuant to Va. Code § 13.1-518 A, the Defendants be, and they hereby are, assessed and required to pay the cost of the Division's investigation of $9,500, that the Commonwealth recover of and from the Defendants said sum, with interest thereon at the rate of 9% per year until paid, and that such liability is made joint and several; and,

(5) That as there appears nothing further to be done in this proceeding, it is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC950017
MARCH 16, 1995

APPLICATION OF
TRINITY ASSEMBLY OF GOD

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated January 19, 1995, with exhibits attached thereto, as subsequently amended, of Trinity Assembly of God ("Trinity") located at 233 North Courthouse Road, Richmond, Virginia 23236, requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Trinity 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: Trinity is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and benevolent purposes; Trinity intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $560,000 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 Trinity 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 Trinity 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. SEC950018
MARCH 27, 1995

APPLICATION OF
COLUMBIA UNION REVOLVING FUND

For an Order of Exemption pursuant to § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, of the Columbia Union Revolving Fund ("Columbia"), dated March 1, 1995, requesting that certain notes be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) pursuant to Virginia Code § 13.1-514.1 B.

BASED ON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Columbia is a nonprofit organization organized and operated exclusively for religious, charitable, scientific, literary and educational purposes. Columbia intends to issue 90-Day Demand Promissory Notes in the aggregate amount of fifteen million dollars ($15,000,000) subject to conditions which are more fully described in the Offering Memorandum submitted with the written application.

THE COMMISSION, based on the representations made in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the securities described above are exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1 B and shall be offered or sold in Virginia only by broker-dealers or agents who are so registered under the Securities Act.

CASE NO. SEC950020
JUNE 8, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Promulgation of rules pursuant to Virginia Code § 13.1-572 (Retail Franchising Act)

ORDER AMENDING AND ADOPTING RULES

On or about April 17, 1995, the Division of Securities and Retail Franchising mailed to all franchisors registered or pending registration under the Retail Franchising Act and to other interested parties notice of the proposed repeal and replacement of all of the existing rules and forms adopted under

the Act and of the opportunity to file comments and request to be heard with respect to any objections to the proposed changes. Similar notice was published in several newspapers in general circulation throughout the Commonwealth. This notice, as well as the text of the proposed new rules and forms, also was published in "The Virginia Register of Regulations," Vol. 11, Issue 16, May 1, 1995, pp. 2607-2652. One person filed comments but did not request to be heard, and no hearing was held.

The Commission, upon consideration of the proposals, the comments submitted, and the recommendations of the Division, is of the opinion and finds that the proposed changes should be adopted as noticed. Accordingly, it is

ORDERED:

(1) That evidence of mailing and publication of notice of the proposed new rules and forms be filed in this case;

(2) That the existing Retail Franchising Act rules and forms be, and they hereby are, repealed as of July 1, 1995, and the rules and forms attached to and made a part of this order be, and they hereby are, adopted and shall be become effective as of July 1, 1995; and,

(3) That this matter is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "The Uniform Franchise Offering Circular Rules" 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. SEC950021
JUNE 8, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Promulgation of rules pursuant to Virginia Code § 13.1-523 (Securities Act)

ORDER AMENDING AND ADOPTING RULES

On or about April 17, 1995, the Division of Securities and Retail Franchising mailed to broker-dealers and investment advisors registered or pending registration under the Securities Act, issuers who had agents registered or pending registration under the Securities Act, and to other interested parties summary notice of the contents of proposed new Securities Act Rules, of proposed amendments to existing Securities 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, as well as the text of the proposals which involve new or amended language, also was published in "The Virginia Register of Regulations," Vol. 11, Issue 16, May 1, 1995, pp. 2581-2606. Four persons filed comments, but no one requested to be heard, and no hearing was held.

The Commission, upon consideration of the proposals, the comments submitted, and the recommendations of the Division, is of the opinion and finds that the proposals should be adopted as noticed. The Commission is further of the opinion and finds that the Rule containing definitions (originally Rule 103; renumbered as § 4 of Article 1) should be amended by adding definitions of "Commission" and "SEC" (this will conform the rule to changes to it made by the Code Commission pursuant to its authority under Va. Code § 9-77.10:1) and that Form S.A.1 ("Supplemental Information for Commonwealth of Virginia to be Furnished with Form BD") should be amended by adding in paragraph 6.a the language "or on a similar examination designated by the Director of the Division of Securities and Retail Franchising" (this will conform this form to a new provision in Art. 2, § 7 A.1). Accordingly, it is

ORDERED:

(1) That evidence of mailing and publication of notice of the proposed changes and new rules be filed in this case;

(2) That the proposed changes and new rules previously noticed as well as the two changes described above be, and they hereby are, adopted and shall be become effective as of July 1, 1995 (attached to and made a part of this order is a copy of the new rules and the rules and forms which have altered text; the rules which merely were renumbered are not attached); and,

(3) That this matter is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Securities Regulations" 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. SEC950021
JUNE 28, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Promulgation of rules pursuant to Virginia Code § 13.1-523 (Securities Act)

ORDER GRANTING, IN PART, AND DENYING, IN PART, PETITION FOR RECONSIDERATION

On June 8, 1995, the State Corporation Commission entered herein an Order Amending and Adopting Rules promulgated under the Securities Act. This order was issued after notice of the proposed rules changes and of the opportunity to file comments was mailed to interested persons and published in newspapers circulated in several different areas of the Commonwealth as well as in "The Virginia Register of Regulations." The order provides that the amended rules become effective as of July 1, 1995.

On June 27, 1995, the Northern Virginia Technology Council ("Council"), by its counsel, filed pursuant to Rule 8:9 of the Commission's Rules of Practice and Procedure a petition for reconsideration of the new exemption ("Rule") created by § 11 of Article 5 of Part V of the Securities Act Rules. This Rule was adopted to implement the provisions of the amendment to Va. Code § 13.1-514 B 7 enacted during the 1995 session of the General Assembly (see 1995 Va. Acts, ch. 208). In addition, the petition requests that the July 1 effective date of the Rule be suspended for at least 90 days, and that notice of further opportunity to file comments on the proposed Rules be given.

The basis of Council's petition is its assertion that it did not receive actual notice of the proposed Rule prior to the expiration of the filing deadline for comments (the certificate of mailing filed by the Division of Securities and Retail Franchising indicates that notice was mailed both to the Council and its counsel, Mr. Hicks). If it had been aware of the proposal in time to submit comments, it would have made the following objections to the Rule - (1) the required disclosure concerning risk factors associated with the investment is too stringent; (2) the limitation on raising more than $100,000 in a twelve month period is too low; and, (3) the maximum aggregate limitation of $500,000 is too low.

Upon consideration of this matter, the Commission is of the opinion and finds that, although the amended rules were adopted with legally sufficient notice and opportunity to comment and be heard, Council should be allowed to file comments in regard to the Rule, but that the effective date of the Rule should not be suspended. Accordingly, it is

ORDERED:

(1) That Council's petition is granted to the extent it requests an opportunity to submit comments on the rule contained in Part V, Art. 5, § 11 of the Securities Act Rules, and that this rule shall remain under the control of the Commission until further order;

(2) That Council shall file an original and five copies of its comments on or before July 31, 1995;

(3) That Council's petition is denied to the extent that it requests suspension of the July 1, 1995, effective date specified in the order of June 8, 1995; and,

(4) That the terms of the June 8, 1995, order shall remain in effect except to the extent modified herein.

CASE NO. SEC950021
SEPTEMBER 27, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Promulgation of rules pursuant to Virginia Code § 13.1-523 (Securities Act)

ORDER ON RECONSIDERATION

On June 8, 1995, the Commission adopted final rules in this proceeding. By order dated June 28, 1995, the Commission granted a petition for reconsideration filed by Northern Virginia Technology Council. The petition requested an opportunity to submit comments on the rule and sought a suspension of the effective date of the rule.

The Commission denied the Council's request that the effective date of the rule, July 1, 1995, as specified in the order of June 8, 1995, be suspended based on its finding and opinion that the amended rules were adopted with legally sufficient notice and opportunity to comment and be heard. The Commission maintained its jurisdiction over the rule, however, to allow the Council to file comments. The terms of the June 8, 1995 order remained in effect except to the extent modified by the order of June 28. The Council has filed its comments.

Based on the comments filed by the Council, and the recommendations of the Division of Securities and Retail Franchising which the Council supports, the Commission is of the opinion and finds that the rules should be amended as follows:

(1) Paragraph A.3. of Section 11 be deleted.

(2) Paragraph A.4. of Section 11 be renumbered 3.

(3) Paragraph B.3. of Section 11 be amended to read, "If the amount of money to be raised from the offering exceeds $1,000,000."

(4) Paragraph 4. of FORM VA-1 Part 1 be amended to read, "Describe, in summary form, the material risk factors to be considered in purchasing the securities."

(5) Paragraph 5. of FORM VA-1 Part 1 be amended to read, "Describe, in summary form, material assets owned or leased by the issuer's business and if leased, describe the material terms."

(6) Paragraph 6. of FORM VA-1 Part 1 be amended to read, "Describe, in summary form, pending litigation involving the issuer's business or its officers or directors relative to the issuer's business."

Accordingly, IT IS ORDERED THAT:

(1) The changes described above shall be adopted and the rule created by Section 11 of Article 5 of Part V of the Securities Act Rules adopted by Commission Order in Case No. SEC950021 dated June 8, 1995, which became effective July 1, 1995, shall be amended as specified above.

(2) The rule changes adopted herein shall become effective on October 2, 1995.

(3) This matter is dismissed from the Commission's docket and the papers herein shall be placed in the file for ended causes for Case No. SEC950021.

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. SEC950025
OCTOBER 24, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
1ST EQUITY INTERNATIONAL, a/k/a FIRST EQUITY INTERNATIONAL, INC., d/b/a
PAYDAY LOAN CENTERS, a/k/a FEI, INC.,
and
KESTRAL TRUST LIMITED
and
JOSEPH R. KINGSLY,
Defendants

ORDER AND JUDGMENT

On April 25, 1995, a Rule to Show Cause was issued against the Defendants First Equity International, Inc. ("FEI"), Kestral Trust Limited ("KTL"), and Joseph R. Kingsly ("Kingsly"). Among other things, the Rule scheduled this case to be heard on September 13, 1995, and required responsive pleadings to be filed with the Clerk on or before July 14, 1995. Thereafter, the hearing in this case was continued to, and held on, September 25, 1995. None of the Defendants filed a responsive pleading or appeared at the hearing, at which the Division of Securities and Retail Franchising was represented by its counsel.

The Commission, based upon the pleadings and evidence, is of the opinion and finds as follows:

1. A copy of the Rule to Show Cause was duly served upon each Defendant as required by law.

2. None of the Defendants filed any pleading or appeared in the case; consequently, each of the Defendants is in default.

3. FEI is a corporation organized under the laws of the State of Nevada.

4. KTL is a corporation organized under the laws of Ireland.

5. Kingsly is a natural person residing in the State of North Carolina who, at all times relevant hereto, was an officer and managing director of FEI and general attorney and agent of KTL.

6. In 1992 and thereafter, FEI and KTL, acting through agents Kingsly and others, offered and sold certain securities in Virginia to certain residents of Virginia ("the investors").

7. The securities were in the nature of investment contracts called "savings plans" pursuant to which the investors deposited funds with FEI or KTL to be pooled and invested in various enterprises chosen and managed solely by FEI or KTL.

8. In connection with the offer and sale of the securities, the investors were promised profits of up to 5% per month, and further profits if they induced others to likewise deposit their funds with FEI or KTL.

9. FEI, KTL, and Kingsly were not registered in any capacity under the Virginia Securities Act ("the Act"), Virginia Code §§ 13.1-501 et seq.

10. The securities so offered and sold by FEI, KTL, Kingsly and others were not registered under the Act.

11. Between April 14, 1992, and July 28, 1993, cease and desist orders were entered under the securities laws of at least nine states prohibiting FEI, KTL, and Kingsly, or one or more of them, from offering or selling the securities in those states.

12. In connection with the offer and sale of the securities, the Defendants obtained funds from the investors by misrepresenting various material facts, and failing to disclose certain material facts, including the following:

a. Misrepresenting that funds provided by investors would be pooled;

b. Misrepresenting that funds provided by investors would be used for investment purposes;

c. Misrepresenting that funds provided by investors would be used to produce profits;

d. Misrepresenting that funds provided by investors were producing profits at the rate of 5% per month;

e. Misrepresenting to investors that they could withdraw and obtain a return of their funds at any time;

f. Failing to disclose that cease and desist orders had been entered against them by various states prohibiting them from offering or selling the securities.

13. On February 16, 1995, Kingsly was convicted of fraud in connection with the sale of the securities in North Carolina by a court of competent jurisdiction in that state.

14. For the foregoing violations of the Act, the Defendants should be subjected to the sanctions set forth below. It is, therefore,

ORDERED AND ADJUDGED THAT:

(1) First Equity International, Inc. and Kestral Trust Limited, pursuant to § 13.1-519 of the Act, are hereby permanently enjoined from (a) misrepresenting material facts or omitting to disclose material facts when offering or selling securities, in violation of § 13.1-502 of the Act, (b) employing an unregistered agent in violation of § 13.1-504(B) of the Act, or (c) offering or selling any security in violation of § 13.1-507 of the Act.

(2) Joseph R. Kingsly, pursuant to § 13.1-519 of the Act, is hereby permanently enjoined from (a) misrepresenting material facts or omitting to disclose material facts when offering or selling securities, in violation of § 13.1-502 of the Act, (b) transacting business in this Commonwealth as an agent in violation of § 13.1-504(A) of the Act, or (c) offering or selling any security in violation of § 13.1-507 of the Act.

(3) Pursuant to § 13.1-521 of the Act, First Equity International, Inc. is hereby penalized in the amount of $1,020,000, and the Commonwealth shall recover that sum from said Defendant with interest thereon at the rate of 9% per year until paid.

(4) Pursuant to § 13.1-521 of the Act, Kestral Trust Limited is hereby penalized in the amount of $190,000, and the Commonwealth shall recover that sum from said Defendant with interest thereon at the rate of 9% per year until paid.

(5) Pursuant to § 13.1-521 of the Act, Joseph R. Kingsly is hereby penalized in the amount of $660,000, and the Commonwealth shall recover that sum from said Defendant with interest thereon at the rate of 9% per year until paid.

(6) Pursuant to § 13.1-518 of the Act, the Defendants, jointly and severally, hereby are assessed and required to pay the investigative costs in this case of $7,357.00, and the Commonwealth shall recover that sum from the Defendants with interest thereon at the rate of 9% per year until paid.

(7) The Commission retains jurisdiction of this case and the Defendants for the purpose of entertaining any motion or petition for abatement or vacation of the monetary penalties hereby imposed upon the ground that restitution has been made to the investors.

CASE NO. SEC950028
MAY 2, 1995

APPLICATION OF
ST. AIDANS EPISCOPAL CHURCH

For an Order of Exemption under § 13.1-514.1B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated March 7, 1995, with exhibits attached thereto, as subsequently amended, of St. Aidans Episcopal Church ("St. Aidans"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of St. Aidans 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: St. Aidans is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and charitable purposes; St. Aidans intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $350,000 on terms and conditions as more fully

described in the Prospectus filed as a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of St. Aidans 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 St. Aidans 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 § 13.1-514.1B, 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. SEC950029
MAY 2, 1995

APPLICATION OF
GREAT NECK BAPTIST CHURCH

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated March 1, 1995, with exhibits attached thereto, as subsequently amended, of Great Neck Baptist Church ("Great Neck") located at 1020 General Jackson Drive, Virginia Beach, Virginia 23454, requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Great Neck 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: Great Neck is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Great Neck intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $850,000 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 Great Neck 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 Great Neck 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. SEC950031
OCTOBER 6, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WORLDWIDE ASSET INC., t/a PREMIER CAPITAL INVESTMENT
and
JASON SMITH,
Defendants

FINAL ORDER AND JUDGMENT

By Amended Rule to Show Cause dated June 13, 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 July 25, 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 Worldwide Asset Inc. ("Worldwide") is a corporation trading as Premier Capital Investment.

2. Jason Smith ("Smith") is a natural person.

3. Copies of the aforesaid Amended Rule to Show Cause were served upon the Defendants as required by law.

4. In 1993 Smith, acting as agent of Worldwide, offered and sold certain securities in Virginia to certain Virginia residents, which securities were issued by a company named Quarter Call, Inc. ("QCI").

5. The aforesaid securities were investment contracts under which investors parted with money to provide capital for a public pay telephone servicing enterprise to be operated by QCI.

6. Neither Defendant was registered in any capacity under the Virginia Securities Act ("the Act"), Virginia Code § 13.1-501 et seq.

7. The securities offered and sold by the Defendants were not registered under the Act.

8. The aforesaid activities of Worldwide constitute three violations of the Act, to wit:

   a. Transacting business in Virginia as an unregistered broker-dealer in violation of § 13.1-504(A);

   b. Employing Smith as an unregistered agent in violation of § 13.1-504(B); and

   c. Offering and selling unregistered securities in violation of § 13.1-507.

9. The aforesaid activities of Smith constitute two violations of the Act, to wit:

   a. Transacting business in Virginia as an unregistered agent in violation of § 13.1-504(A); and

   b. Offering and selling unregistered securities in violation of § 13.1-507.

10. The Defendants should be penalized for such violations and enjoined from commission of like violations of law in the future. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 13.1-521 of the Act, Defendant Worldwide is penalized in the sum of fifteen thousand dollars ($15,000), which sum the Commonwealth shall recover from said Defendant with interest at 9% per year until paid.

(2) Pursuant to § 13.1-521 of the Act, Defendant Smith is penalized in the sum of ten thousand dollars ($10,000), which sum the Commonwealth shall recover from said Defendant with interest at 9% per year until paid.

(3) Defendant Worldwide is hereby permanently enjoined from violation of the provisions of §§ 13.1-504(A), 13.1-504(B), or 13.1-507 of the Act.

(4) Defendant Smith is hereby permanently enjoined from violation of the provisions of §§ 13.1-504(A) or 13.1-507 of the Act.

(5) As there appears nothing further to be done in this case, it is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NOS. SEC950036, SEC950037, and SEC950038
SEPTEMBER 12, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MINERAL RESOURCES, INC.,
WILLIAM G. BUCK, a/k/a Bill Buck,
and
JEFFREY WHEELER,
Defendants

FINAL ORDER AND JUDGMENT

A Rule to Show Cause was issued against each of the Defendants, Mineral Resources, Inc. ("MRI"), William G. Buck, a/k/a Bill Buck ("Buck") and Jeffrey Wheeler ("Wheeler"), on May 15, 1995. Among other things, the Rule scheduled these cases to be heard before the Commission on September 7, 1995, and required responsive pleadings to be filed by June 15, 1995. None of the Defendants filed a responsive pleading or appeared at the hearing conducted on the scheduled date. The Division of Securities and Retail Franchising was represented by its counsel.

The Commission, based on the pleadings, evidence of service of process upon the Defendants and Staff counsel's summary of the case, is of the opinion and finds:

1. A copy of the Rule to Show Cause was duly served upon each Defendant.

2. None of the Defendants filed a responsive, or other, pleading or appeared at the hearing; consequently, each of the Defendants is in default.

3. In April and August 1990, while acting as an agent for someone other than MRI, Buck offered and sold in this Commonwealth an interest in an oil and gas lease acquired for the purpose of drilling oil and/or gas wells to each of two Virginia residents and in April 1992, while acting as an agent of MRI, Buck offered and sold in this Commonwealth to the two Virginia residents three additional interests in the same lease.

4. In February 1994, Wheeler, acting as an agent of MRI, offered and sold in this Commonwealth to one of the two Virginia residents an interest in an oil and gas lease acquired for the purpose of drilling oil and/or gas wells.

5. The interests sold by Buck were in the Minotex/Benke C-3 well; the interest sold by Wheeler was in the Gauszka C-4 well.

6. The real estate underlying the leases is located in the State of Texas.

7. One of the Virginia investors in the Minotex/Benke C-3 program invested a total of $7,125 in that program; the other Virginia investor in the Minotex/Benke C-3 program invested a total of $9,625 in the program.

8. The Virginia resident who invested in the Gauszka C-4 program paid a total of $2,000 for his interest in that program.

9. The interests in the oil and gas leases constitute securities as defined in the Securities Act, Va. Code § 13.1-501 et seq.

10. At the times the aforesaid securities transactions occurred in Virginia:

a. MRI was not registered under the Securities Act as a broker-dealer.

b. Buck and Wheeler were not registered under the Securities Act as agents.

c. The interests in the oil and gas leases were not registered under the securities registration provisions of the Securities Act.

11. The activities of MRI described above constitute ten violations of the Securities Act, to wit:

a. Transacting business in Virginia as an unregistered broker-dealer on three occasions, violations of § 13.1-504 A.

b. Employing unregistered agents on three occasions, violations of § 13.1-504 B.

c. Offering and selling unregistered securities in four transactions, violations of § 13.1-507.

12. The activities of Buck described above constitute ten violations of the Securities Act, to wit:

a. Transacting business in Virginia as an unregistered agent on five occasions, violations of § 13.1-504 A.

b. Offering and selling unregistered securities in five transactions, violations of § 13.1-507.

13. The activities of Wheeler described above constitute two violations of the Securities Act, to wit:

a. Transacting business in Virginia as an unregistered agent on one occasion, a violation of § 13.1-504 A.

b. Offering and selling unregistered securities on one occasion, a violation of § 13.1-507.

14. On account of their violations of the Securities Act, the Defendants should be subjected to the sanctions set forth below.

It is, therefore,

ORDERED and ADJUDGED:

(1) That, pursuant to Va. Code § 13.1-519, Mineral Resources, Inc. be, and it hereby is, permanently enjoined from (a) transacting business in this Commonwealth in violation of Va. Code § 13.1-504 A, (b) employing an unregistered agent in violation of Va. Code § 13.1-504 B, or (c) offering for sale or selling any security in violation of Va. Code § 13.1-507;

(2) That, pursuant to Va. Code § 13.1-519, William G. Buck and Jeffrey Wheeler be, and each hereby is, permanently enjoined from (a) transacting business in this Commonwealth in violation of Va. Code § 13.1-504 A or (b) offering for sale or selling any security in violation of Va. Code § 13.1-507;

(3) That, pursuant to Va. Code § 13.1-521, Mineral Resources, Inc. be, and it hereby is, penalized in the amount of $50,000, William G. Buck be, and he hereby is, penalized in the amount of $50,000, and Jeffrey Wheeler be, and he hereby is, penalized in the amount of $10,000, and that the Commonwealth recover of and from the Defendants said amounts, with interest thereon at the rate of 9% per year until paid;

(4) That, pursuant to Va. Code § 13.1-518, Mineral Resources, Inc., William G. Buck and Jeffrey Wheeler be, and they hereby are, assessed and required, jointly and severally, to pay the cost of the Division's investigation of $1,200 and that the Commonwealth recover of and from the Defendants said amount, with interest thereon at the rate of 9% per year until paid; and,

(5) That as there appears nothing further to be done in these proceedings, they are dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC950040
MAY 30, 1995

APPLICATION OF
ELON BAPTIST CHURCH AMHERST COUNTY

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 13, 1995, with exhibits attached thereto, as subsequently amended, of Elon Baptist Church Amherst County ("Elon"), 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 Elon 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: Elon is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Elon intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $300,000 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 Elon 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 Elon 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. SEC950042
JUNE 15, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
INVESTORS SECURITY COMPANY, INC.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

It appearing to the State Corporation Commission of Virginia ("Commission") that the Commission's Division of Securities and Retail Franchising ("Division") instituted an investigation of Defendant, Investors Security Company, Inc. ("Investors Security"), pursuant to § 13.1-518 of the Code of Virginia; and,

As a result of its investigation, the Division alleges that Defendant, a broker-dealer so registered under the Virginia Securities Act, has in violation of Rules 301 A.6, 301 A.8, 303 B, 303 E.2, 304 A.1, 304 A.2 and 304 D.2 as promulgated under the Act:

(1) Failed to maintain the subscription agreements from the sales of 3.5 units of Signal Natural Gas Partners 1990 to four Virginia customers (Rule 301 A.6, A.8);

(2) Failed to exercise diligent supervision over the securities activities of one of its agents who offered and sold unregistered securities in 20 transactions involving issuers of promissory notes and other financial investment products to five clients (Rule 303 B);

(3) Failed to periodically inspect its business offices to insure that written procedures were being enforced (Rule 303 E.2);

(4) Failed in 23 instances to maintain required account information, including the customer's name, date of birth, address, nationality or citizenship, signature of the agent regularly handling the account and/or signature of the designated supervisor (Rule 304 A.1);

(5) Failed in 56 instances to maintain required account information, including the customer's occupation, marital status, investment objectives and/or other information concerning the customer's financial situation and needs which the broker-dealer or the agent considered in making a recommendation (Rule 304 A.2); and,

(6) Failed to maintain proper records pertaining to six customer complaints (Rule 304 D.2).

The Division further alleges that Defendant has in violation of §§ 13.1-502, 13.1-504 B., 13.1-507, and 13.1-521 of the Virginia Securities Act:

(1) Failed to state to four (4) of its customers to whom it offered and sold securities of Signal Natural Gas Partners 1990 that the securities were not registered under or exempted from registration by the Virginia Securities Act (Code § 13.1-502(2));

(2) Employed an unregistered agent who offered and sold securities in two (2) transactions for Investors Security prior to being registered as an agent with Investors Security (Code § 13.1-504 B);

(3) Employed an agent who was employed simultaneously by two broker-dealers. (Code § 13.1-504 B);

(4) Offered and sold to four (4) Virginia customers, in four transactions, the following unregistered securities: a total of 3.5 units of Signal Natural Gas Partners 1990 (Code § 13.1-507);

(5) Violated the provisions of the Commission Order entered in Case No. SEC930076, dated September 14, 1993, State Corporation Commission v. Investors Security Company, Inc., by selling securities which were not registered or exempted when the sales occurred (Code § 13.1-521);

(6) Violated the provisions of the Commission Order entered in Case No. SEC920070, dated August 24, 1992, State Corporation Commission v. Investors Security, Inc., by failing to periodically inspect its business offices to insure that written procedures were being enforced as required by Rule 303 B of the Securities Act Rule (Code § 13.1-521); and,

(7) Violated the provisions of the Commission Order entered in Case No. SEC920070, dated August 24, 1992, State Corporation Commission v. Investors Security Company, Inc., by failing to maintain the account and customer complaints information as required by Securities Act Rule 304 A.2 and 304 D.2 (Code § 13.1-521).

Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order.

As an offer to settle all matters arising from the allegations made against it, Defendant has proposed and agrees to comply with the following terms and undertakings:

(A) Defendant will comply with Virginia Securities Act Rules 301 A.6, 301 A.8, 303 B, 303 E.2, 304 A.1, 304 A.2 and 304 D.2, §§ 13.1-502(2), 13.1-504 B, and 13.1-507 of the Virginia Securities Act and all Commission orders entered against it.

(B) Within thirty (30) days of the date of this Order, Defendant will make, or cause to be made, a written offer to rescind the sales to its Virginia customers of units of Signal Natural Gas Partners 1990, which occurred from June 1990 through October 1990.

(C) The offer referred to in paragraph (B), above, will provide for the refund of the consideration paid by each Virginia customer for the purchase of the security, together with interest thereon at the annual rate of six percent, less the amount of any income received on the security, upon the tender of the security, or for the substantial equivalent in damages if the customer no longer owns the security; each Virginia customer will have thirty (30) days from the date of receipt of the offer within which to either accept or reject the offer; and, Defendant, if the offer is accepted, will make restitution within thirty (30) days from its receipt of the acceptance.

(D) Within thirty (30) days of the date of this Order, Defendant will make, or cause to be made, a written offer of rescission and restitution in the amount of $166,424.35 for promissory notes and other financial products offered and sold by Investors Security's agent to Virginia and North Carolina customers from May 1991 through December 1993; the offer will provide for the refund of the consideration paid by each Virginia and North Carolina customer for the purchase of the security, less the amount of any income received on the security, upon the tender of the security or its evidence of purchase, or for the substantial equivalent in damages if the customer no longer owns the security; the Virginia and North Carolina customers will have thirty (30) days from the date of receipt of the offer within which to either accept or reject the offer; and, Defendant, if the offer is accepted, will make restitution within thirty (30) days from its receipt of the acceptance.

(E) Defendant will provide the Commission a list in the form of an affidavit of all Virginia and North Carolina customers who were sent the offers of rescission referred to in paragraphs (B) and (D), above, the date of mailing of the rescission offer, each customer's response to the offer, and the amount of restitution made to each Virginia and North Carolina customer, if applicable, by no later than 90 days after the date of this order.

(F) Investors Security will retain an independent accounting firm acceptable to the Commission (i) to independently review and evaluate Investors Security's overall written supervisory and compliance procedures with emphasis placed upon compliance with the requirements referred to in paragraph (A), above; (ii) to independently review and evaluate Investors Security's internal controls and written procedures with regard to insuring the securities offered and sold are registered or exempted from registration in accordance with the Virginia Securities Act and/or Securities Act Rules prior to the offer or sale of such securities, (iii) to independently review and evaluate Investors Security's internal controls and written procedures with regard to the firm's audit program concerning the offer and sales of securities by its agents; (iv) to make recommendations, if deemed necessary, for the update and/or improvement of the internal controls and procedures in the areas identified in (i)-(iii); and, (v) to develop a training program and train Investors Security's compliance personnel to implement said program to insure that Investors Security's employees and agents comply with the terms of this order.

(G) Investors Security will modify its internal controls and written procedures in accordance with all final recommendations, if any, of the independent accounting firm referred to in paragraph (F), above, and will submit to the Division an affidavit stating that it has adopted the aforesaid recommendations.

(H) Within five (5) months from the entry of this order, either Investors Security or the independent accounting firm will file with the Division a special audit report setting forth the results of the independent accounting firm's review, evaluation and recommendations, if any, referred to in paragraph (F), above.

(I) Investors Security will conduct internal audits of any of its Virginia offices the independent accounting firm deems necessary, for the purposes of determining compliance with Investors Security's overall written supervisory procedures and internal controls and procedures relating to the issues described in paragraph (F), above. Investors Security will perform such audits for a period of three (3) years from the date of this order. Further, Investors Security will comply with Virginia Securities Act Rule 303 E.2 by inspecting all of its business offices in coordination with the independent account firm's recommendations as to changes required in the firm's audit program.

(J) The independent accounting firm will perform every six (6) months audits of the principal office of Investors Security and any Virginia offices of Investors Security the accounting firm deems necessary. The accounting firm's audits will be conducted within 30 days after

audits performed by Investors Security and will be performed for the purpose of determining the quality of Investor Security's audits to insure that Defendant is adhering to internal controls and procedures relating to the issues described in paragraph (F), above. The independent accounting firm will perform such an audit function for a period of three (3) years from the date of this order and promptly report its findings to the Commission.

(K) Investors Security will file with the Commission six (6) months from with the date of this order, and every six (6) months thereafter, a copy of all reports in which the independent accounting firm has provided audit findings with regard to Investors Security's implementation of recommendations made by it and required to be implemented by Investors by paragraph (G), above.

(L) Investors Security will file with the Commission at the end of the three (3) year period a copy of the final report in which the independent accounting firm has provided audit findings with regard to Investors Security implementation of recommendations made by it and required to be implemented by Investors Security by paragraph (G), above.

(M) Investors Security will designate a Compliance Director whose duties will include, but not be limited to, enforcing supervisory procedures, operations procedures and compliance procedures as well as insuring that Defendant and its agents adhere to the Virginia Securities Act and the Securities Act Rules promulgated thereunder. Defendant will provide the Commission with the name of the designated Compliance Director within thirty (30) days after entry of this order.

(N) Pursuant to Virginia Code § 13.1-521, Investors Security will pay a penalty to the Commonwealth in the amount of forty thousand dollars ($40,000.00) which will be tendered contemporaneously with the entry of this order.

(O) Pursuant to Virginia Code § 13.1-518, Investors Security will pay to the Commission the sum of nine thousand three hundred eighty dollars ($9380.00) as reimbursement for the costs of the Division's investigation.

(P) It is recognized and understood that if Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statute based upon such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted, and Defendant will not contest the exercise of the right reserved.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted 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 shall pay to the Commonwealth a penalty in the amount of forty thousand dollars ($40,000.00);

(4) That, pursuant to Virginia Code § 13.1-518, Defendant shall pay to the Commission to reimburse it for the costs of the investigation, the sum of nine thousand, three hundred, eighty dollars ($9,380.00);

(5) That the sum of forty nine thousand, three hundred eighty dollars ($49,380.00) tendered by Defendant contemporaneously with the entry of this Order is accepted; and,

(6) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC950042
JUNE 30, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
INVESTORS SECURITY COMPANY, INC.,
Defendant

ORDER OF RECONSIDERATION

This day, came the defendant, Investors Security Company, Inc., and moved the Commission to suspend and reconsider the Order Accepting Offer of Settlement entered herein on June 15, 1995, on the grounds that certain of the factual premises upon which defendant's settlement offer and the said order was based may have been incorrect.

UPON CONSIDERATION WHEREOF, the Commission hereby grants the defendant's motion for reconsideration of its Order of June 15, 1995, herein, and suspends said order, pending such reconsideration.

CASE NO. SEC950042
JULY 24, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
INVESTORS SECURITY COMPANY, INC.,
Defendant

ORDER MODIFYING A PRIOR ORDER

The State Corporation Commission ("Commission") entered an Order Accepting Offer of Settlement ("Order") against the Defendant, Investors Security Company, Inc. ("Investors Security"), on June 15, 1995, pursuant to § 12.1-15 of the Code of Virginia. On June 30, 1995, the Defendant, by its counsel, petitioned the Commission to suspend and reconsider the Order on the ground that it contains an error in calculation which was relied upon by the Defendant and which affected the terms of the settlement. The Commission, by order dated June 30, 1995, granted the Defendant's petition for reconsideration and suspended the Order pending such reconsideration.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the dollar amount of restitution specified in the Order was inadvertently miscalculated, is materially erroneous and should be corrected, that certain provisions of the Order should be modified as a result thereof and that a portion of the penalty paid by the Defendant simultaneously with the entry of the Order should be refunded. Accordingly, it is

ORDERED:

(1) That the Order Accepting Offer of Settlement entered herein on June 15, 1995, be, and it hereby is, modified as follows:

(a) On the fourth page, in paragraph (D), the figure "$236,390.10" is inserted in lieu of $166,424.35";

(b) On the eighth page, in paragraph (N), "two thousand dollars ($2,000.00)" is inserted in lieu of "forty thousand dollars ($40,000.00)";

(c) On the ninth page, in paragraph (3), "two thousand dollars ($2,000.00)" is inserted in lieu of "forty thousand dollars ($40,000.00)"; and,

(d) On the ninth page, in paragraph (5), "eleven thousand three hundred eighty dollars ($11,380.00)" is inserted in lieu of "forty nine thousand, three hundred eighty dollars ($49,380.00)";

(2) That all but $2,000.00 of the penalty previously paid by the Defendant shall be refunded;

(3) That the Comptroller of the Commission shall provide the Comptroller of the Commonwealth of Virginia a copy of this order and the documents necessary to effect the aforesaid refund;

(4) That all computations of time set forth in the Order Accepting Offer of Settlement which are based on the date of said Order shall henceforth be based on the date of this Order Modifying a Prior Order; and

(5) That the terms and provisions of the Order Accepting Offer of Settlement shall remain in effect except to the extent modified herein.

CASE NOS. SEC950044 and SEC950045
JUNE 14, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
INTERAXX TELEVISION NETWORK, INC. (formerly known as
INTERACTIVE TELEVISION NETWORK, INC.), and,
DONALD E. RHOADES,
Defendants

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, Interaxx Television Network, Inc., formerly known as Interactive Television Network, Inc. ("ITN"), and Donald E. Rhoades ("Rhoades") pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that (i) ITN transacted business in this Commonwealth as an unregistered broker-dealer in violation of Virginia Code § 13.1-504A, (ii) ITN employed unregistered agents in violation of Virginia Code § 13.1-504B, (iii) ITN and Rhodes offered and sold unregistered securities, in the form of shares of common stock issued by ITN in violation of Virginia Code § 13.1-507, and (iv) Rhoades transacted business in this Commonwealth as unregistered agent 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 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) Within fifteen (15) days of the date of this Order Accepting Offer of Settlement, ITN will make, or cause to be made, a written offer of rescission to each Virginia investor who has not previously received a rescission offer from ITN. The rescission offer will include as a minimum 1) an explanation for the rescission offer pursuant to the terms of this order, 2) allow the investors thirty (30) days from date of receipt of the rescission offer to provide ITN written notification of their decision to accept or reject the offer, and 3) a statement that ITN will repay the full principal sum invested, plus interest thereon at an annual rate of six percent calculated from the date of each investor's investment, less any return received by the investor on his or her investment, with repayment of sums due to commence within thirty (30) days of receiving the investor's written notification of acceptance and total sum due to each investor to be repaid in full no later than ninety (90) days from receipt of written notification.

(B) Evidence of compliance with the provisions of paragraph (A), above, will be filed with the Division by ITN within sixty (60) days from the date rescission offers are forwarded to investors; that such evidence will be in the form of an affidavit executed by the President of Interaxx and will contain the following information: (i) a statement affirming that a copy of this order and an offer of rescission was made to all Virginia investors who had not received a prior rescission offer from ITN, (ii) a copy of the acceptance letter received by the ITN from each investor accepting the rescission offer, (iii) a list of the names and current addresses of all Virginia investors declining the current rescission offer, (iv) a separate list of Virginia investors who declined prior rescission offers; and, (v) the date or dates of each scheduled repayment, the amount of the payment or payments, and description of the calculation of the sum remitted to each investor accepting the rescission offer. The affidavit with attachments will become an integral part of this order;

(C) ITN will not, indirectly or directly, transact business in this Commonwealth as broker-dealer unless so registered under the Virginia Securities Act, or exempt therefrom;

(D) ITN will employ, for purposes of offering or selling its securities in this Commonwealth, only agents who are registered under the Virginia Securities Act, or exempt therefrom;

(E) Donald E. Rhoades will not, indirectly or directly, transact business in this Commonwealth as an agent unless so registered under the Virginia Securities Act, or exempt therefrom;

(F) That pursuant to Virginia Code § 13.1-521, ITN will pay to the Commonwealth a penalty in the amount of five thousand dollars ($5000), Donald E. Rhoades will pay to the Commonwealth a penalty in the amount of two thousand dollars ($2000) and that pursuant to Virginia Code § 13.1-518, ITN will pay to the Commission the sum of two hundred dollars ($200) to defray the costs of the investigation; and

(G) That 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:

(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 § 13.1-521, ITN pay to the Commonwealth the sum of five thousand dollars ($5000) and that Donald E. Rhoades pay to the Commonwealth the sum of two thousand dollars ($2000) as a penalty, and that, pursuant to Virginia Code § 13.1-518, ITN pay to the Commission the sum of two hundred dollars ($200) to defray the costs of the investigation, and that the Commonwealth and the Commission recover of and from the Defendants, said amounts;

(4) That the total sum of seven thousand two hundred dollars ($7,200), tendered by ITN and Donald E. Rhoades contemporaneously with the entry of this order is accepted;

(5) That the affidavit described in paragraph (B), above, be made a part of this order; and

(6) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of the Defendants failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC950046
JUNE 20, 1995

APPLICATION OF
SYCAMORE PRESBYTERIAN CHURCH

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated April 26, 1995, with exhibits attached thereto, as subsequently amended, of Sycamore Presbyterian Church ("Sycamore") located at 510 Coalfield Road, Midlothian, VA 23113-4405, requesting that certain First

Mortgage Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Sycamore 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: Sycamore is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and charitable purposes; Sycamore intends to offer and sell First Mortgage Bonds in an approximate aggregate amount of $1,150,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of Sycamore 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 Sycamore 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 NOS. SEC950047, SEC950049, and SEC950048
JUNE 26, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
RALPH D. KAISER COMPANY, INC.,
RALPH D. KAISER, and
MARIAN GEMZA,
Defendants

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendants, Ralph D. Kaiser Company, Inc. ("RDK Co."), Ralph D. Kaiser, and Marian Gemza, pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that (I) in violation of Virginia Code § 13.1-507, RDK Co., Ralph D. Kaiser, and Marian Gemza, offered for sale and sold in the Commonwealth unregistered, non-exempt securities, to wit: assignments of deed of trust notes and agreements of warranty and repurchase which constitute securities in the form of evidences of indebtedness and guarantees, (ii) in violation of Virginia Code § 13.1-504 A, Ralph D. Kaiser and Marian Gemza transacted business in the Commonwealth as unregistered agents for RDK Co., (iii) in violation of Virginia Code § 13.1-504 B, RDK Co. employed two unregistered agents, and (iv) in violation of Virginia Code § 13.1-502(2), RDK Co., Ralph D. Kaiser, and Marian Gemza failed to disclose material facts to prospective purchasers of securities, including RDK Co.'s financial capacity to honor its guarantees or any conditions or circumstances which could prevent it from honoring its guarantees. 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, recognizing that this Order Accepting Offer of Settlement does not constitute a ruling by the Commission as to the validity of the Division's allegations, the Defendants have offered, and agreed to comply with, the following terms and undertakings:

(1) RDK Co., Ralph D. Kaiser, and Marian Gemza, will be permanently enjoined from offering for sale or selling in this Commonwealth, whether directly or indirectly, any security in violation of Virginia Code § 13.1-507;

(2) Ralph D. Kaiser and Marian Gemza will be permanently enjoined from transacting business in this Commonwealth as unregistered agents in violation of Virginia Code § 13.1-504 A;

(3) RDK Co. will be permanently enjoined from employing unregistered agents in violation of Virginia Code § 13.1-504 B;

(4) RDK Co., Ralph D. Kaiser and Marian Gemza will be permanently enjoined from directly or indirectly violating Virginia Code § 13.1-502 in the offer or sale of a security;

(5) Ralph D. Kaiser will subordinate his existing unsecured creditor claims against RDK Co. to the claims of Virginia unsecured creditors who both purchased securities identified above and who are not shareholders of RDK Co.;

(6) Ralph D. Kaiser and Marian Gemza will each pay a penalty of twenty thousand dollars ($20,000) to the Commonwealth and will jointly reimburse the Commission fourteen hundred dollars ($1,400) as costs of the Commission's investigation;

(7) Within thirty days of the date of this Order, the Defendants will provide a copy of this Order Accepting Offer of Settlement to all Virginia residents who purchased from RDK Co. assignments of deed of trust notes which were unsatisfied as of May 1, 1994;

(8) Within ten days of compliance with the provisions of paragraph seven (7) above, the Defendants will provide the Division with an affidavit executed by an appropriate officer of RDK Co. stipulating that the Defendants have complied with the provisions of paragraph seven (7) above and the affidavit will contain the names and addresses of all Virginia residents to whom copies of this Order were mailed; and

(9) It is recognized and understood that if the Defendants fail to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the

Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and the Defendants will not contest the exercise of the right reserved.

The Division has recommended that the Defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in 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 § 13.1-519, Ralph D. Kaiser and Marian Gemza are permanently enjoined from violating the provisions of Virginia Code § 13.1-502, § 13.1-504 A, or § 13.1-507;

(4) That, pursuant to Virginia Code § 13.1-519, RDK Co. is permanently enjoined from violating the provisions of Virginia Code § 13.1-502, § 13.1-504 B or § 13.1-507;

(5) That the Defendants provide a copy of this Order Accepting Offer of Settlement within thirty days of the date of this Order to all Virginia residents who purchased from RDK Co. assignments of deed of trust notes that were unsatisfied as of May 1, 1994.

(6) That pursuant to Virginia Code § 13.1-521, Ralph D. Kaiser and Marian Gemza each pay to this Commonwealth a penalty in the amount of twenty thousand dollars ($20,000), and that pursuant to Virginia Code § 13.1-518, Ralph D. Kaiser and Marian Gemza jointly pay to the Commission fourteen hundred dollars ($1,400) to defray the cost of the investigation, and that the Commonwealth of Virginia and the Commission recover of and from the Defendants, said amounts;

(7) That the total sum of forty-one thousand four hundred dollars ($41,400) tendered by Ralph D. Kaiser and Marian Gemza contemporaneously with the entry of this Order Accepting Offer of Settlement is accepted; 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 Defendants' failure to comply with the terms and undertaking of the settlement.

CASE NO. SEC950055
AUGUST 18, 1995

APPLICATION OF
WESTERN MARYLAND COLLEGE POOLED INCOME FUNDS
(PLAN I - INCOME FUNDS & PLAN II - BALANCED FUND)

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated June 29, 1995, with exhibits attached thereto, of Western Maryland College Pooled Income Funds ("WMC"), requesting that interests in WMC be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain individuals who solicit gifts to WMC 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: WMC was established by Western Maryland College, a nonstock Maryland corporation formed not for private profit but exclusively for charitable, scientific and educational purposes; WMC is a pooled income fund within the meaning of Section 642 (c)(5) of the Internal Revenue Code of 1986; and, gifts to WMC will be solicited by volunteers or employees of Western Maryland College who will not be compensated on the basis of the amount of gifts transferred to WMC.

THE COMMISSION, based on the facts asserted by WMC in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § .1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and Western Maryland College's volunteers and employees who solicit on behalf of WMC be, and they hereby are, exempted from the agent registration requirement of said Act.

CASE NOS. SEC950062 and SEC950063
DECEMBER 14, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COMMODITY EXPRESS CORPORATION
and
DAVE RAMSEYER,
Defendants

ORDER AND JUDGMENT

By Rule to Show Cause dated September 15, 1995, 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 November 16, 1995, hearing, the Hearing Examiner issued from the bench her Report setting forth her recommended findings of fact, conclusions of law and sanctions. The Commission has been advised (i) that a copy of the Report was mailed to each Defendant on November 21, 1995, along with notice that written comments upon the Report could be filed within 15 days from November 21 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. Commodity Express Corporation ("CEC") did not file a pleading or appear in the case against it.

3. Dave Ramseyer ("Ramseyer") did not file a proper responsive pleading or appear in the case against him.

4. CEC was a corporation formed under the laws of the State of Arizona. Its charter was revoked in 1994.

5. Dave Ramseyer is a natural person.

6. In February 1994, CEC, through its agent Ramseyer, and Ramseyer, while acting as an agent of CEC, offered and sold an investment contract in Virginia to a Virginia resident. The investment contract is evidenced by a document captioned "Capital Management Agreement" along with the Promissory Note and Security Agreement attached thereto.

7. In offering and selling the investment contract, Ramseyer induced the investor to deliver funds in the amount of $20,000 to CEC, which was to purchase, ship and resell products to purchasers located in Mexico. In return, CEC was to pay the Virginia investor $400 from the proceeds of each shipment. Any funds in excess of the amount paid to the investor were to be retained by CEC.

8. The investment contract offered and sold in Virginia by Ramseyer and CEC is a security as defined in the Securities Act (Va. Code § 13.1-501 et seq.) ("Act").

9. The security is not, and never has been, registered under the Act.

10. Ramseyer is not, and never has been, registered under the Act as an agent of CEC.

11. The aforesaid acts constitute one violation each of Va. Code §§ 13.1-504 B and 13.1-507 by CEC and one violation each of Va. Code §§ 13.1-504 A and 13.1-507 by Ramseyer.

12. Each Defendant should be penalized on account of each violation and enjoined from committing like violations of law in the future.

Accordingly, it is

ORDERED:

(1) Pursuant to Va. Code § 13.1-521, Commodity Express Corporation is penalized in the sum of ten thousand dollars ($10,000) and Dave Ramseyer is penalized in the sum of ten thousand dollars ($10,000) 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 (or either of them), within 60 days from date of this Order, make restitution to the Virginia investor in accordance with Va. Code § 13.1-522 D, or otherwise settle with the investor.

(2) Within 65 days from the date of this Order, the Defendants shall notify the Commission in writing whether or not the restitution or settlement has been made.

(3) Pursuant to Va. Code § 13.1-518, the Defendants jointly and severally shall pay seven hundred twenty-four dollars ($724) as costs of the investigation of these cases, which sum the Commission shall recover from the Defendants with interest at 9% per year until paid.

(4) Pursuant to Va. Code § 13.1-519, each Defendant is permanently enjoined from violation of the provisions of Va. Code § 13.1-504 or § 13.1-507.

(5) The Commission retains jurisdiction in these matters for all purposes.

CASE NO. SEC950069
SEPTEMBER 22, 1995

APPLICATION OF
REGENT UNIVERSITY

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated August 2, 1995, with exhibits attached thereto, of Regent University ("Regent"), requesting that certain gift instruments, known as Charitable Gift Annuities ("CGA's"), be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain individuals who offer and sell CGA's in exchange for donations 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: Regent is a Virginia nonstock corporation organized and operated not for private profit but exclusively for religious, educational and charitable purposes; Regent is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code; and, donations to be exchanged for CGA's will be solicited by volunteers or employees of Regent who will not be compensated on the basis of the amount of donations received or CGA's sold.

THE COMMISSION, based on the facts asserted by Regent in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and Regent's volunteers and employees who solicit on behalf of Regent be, and they hereby are, exempted from the agent registration requirement of said Act.

CASE NO. SEC950070
SEPTEMBER 21, 1995

APPLICATION OF
NEW HOPE 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 August 10, 1995, with exhibits attached thereto, as subsequently amended, of New Hope Baptist Church ("New Hope"), requesting that First Deed of Trust Bonds, Series "B", be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of New Hope be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: New Hope is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and charitable purposes; New Hope intends to offer and sell First Deed of Trust Bonds, Series "B", in an approximate amount of $120,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; prior offerings by New Hope have been so exempted; said securities are to be offered and sold by a bond sales committee composed of members of New Hope who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by New Hope in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the bond sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC950071
OCTOBER 2, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CALLAN ASSOCIATES, INC.,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Callan Associates, Inc., pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that in violation of Virginia Code § 13.1-504 A, Callan Associates, Inc. transacted business in the Commonwealth of Virginia as an unregistered Investment Advisor. The Defendant neither admits nor denies the 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 allegations, the Defendant has offered and agrees to comply with the following terms and undertakings:

(1) Callan Associates, Inc., will not, indirectly or directly, transact business in this Commonwealth as an investment advisor unless so registered under the Virginia Securities Act;

(2) Callan Associates, Inc., will employ, for purposes of providing investment advice in the Commonwealth, only investment advisor representatives who are so registered under the Virginia Securities Act; and,

(3) Callan Associates, Inc. pursuant to Virginia Code § 13.1-521, will pay to this Commonwealth the amount of five thousand dollars ($5,000.00) and, pursuant to Virginia Code § 13.1-518, will pay to the Commission the sum of one hundred dollars ($100.00) to defray the cost of the investigation.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That pursuant to Virginia Code § 13.1-521, Callan Associates, Inc. pay to the Commonwealth the amount of five thousand dollars ($5,000.00) and pursuant to Virginia Code § 13.1-518, Callan Associates, Inc. pay to the Commission the sum of one hundred dollars ($100.00) to defray the cost of the investigation, and that the Commonwealth of Virginia and the Commission recover of and from Callan Associates, Inc. said amounts;

(4) That the total sum of five thousand one hundred dollars ($5,100.00) tendered by Callan Associates, Inc. contemporaneously with the entry of this Order of Settlement is accepted; and,

(5) 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 effect any duty or obligation to disclose the existence or nature of this matter or of any order entered herein; and, that this matter be, and it hereby is, dropped from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC950074
SEPTEMBER 26, 1995

APPLICATION OF
THE CATHOLIC UNITED INVESTMENT TRUST

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated May 26, 1995, with exhibits attached thereto, of The Catholic United Investment Trust ("CUIT"), requesting that the Fund and interests therein 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: CUIT was established by The Roman Catholic Church, not for private profit but exclusively for charitable, scientific and educational purposes; CUIT serves only Roman Catholic related religious organizations that are listed in the Official Kenedy Catholic Directory, exempt from federal income tax pursuant to Section 501(c)(3) of the Code, and are not private foundations as defined in Section 509(a) of the Code. Offers and sales of CUIT will be made exclusively through CBIS Financial Services, Inc., a broker-dealer registered in the Commonwealth.

THE COMMISSION, based on the facts asserted by CUIT in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and that offers and sales shall be made in Virginia only by broker-dealers registered in the Commonwealth.

CASE NO. SEC950093
OCTOBER 19, 1995

APPLICATION OF
FAIRFAX CHURCH OF CHRIST

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated July 14, 1995, with exhibits attached thereto, as subsequently amended, of Fairfax Church of Christ ("FCC") located at 3901 Rugby Road, Fairfax, VA 22033, requesting that certain bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5).

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: FCC is an unincorporated Virginia organization operating not for private profit but exclusively for religious, charitable and benevolent purposes; FCC intends to offer and sell First Mortgage Bonds, 1995 Series in an approximate aggregate amount of $2,200,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application.

THE COMMISSION, based on the facts asserted by FCC 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 and sold in Virginia only by broker-dealers and agents so registered under the Securities Act.

CASE NO. SEC950095
OCTOBER 31, 1995

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

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Signet Financial Services, Inc. ("Signet"), pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that during the period of January 6, 1995, through August 21, 1995, (i) Signet transacted business in this Commonwealth as an unregistered investment advisor with approximately one thousand thirty four accounts, in violation of Virginia Code § 13.1-504A, and (ii) Signet employed eighty-seven unregistered investment advisor representatives in violation of Virginia Code § 13.1-504C. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Settlement 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) Having refunded all fees collected for advisory services and having made a written offer to rescind the investment advisory contracts of all the clients who entered into an "Imprint Personalized Investment Planning Agreement" with Signet during the time period described above, the Defendant will file an affidavit with the Division of Securities and Retail Franchising prior to the entry of this Settlement Order, which will affirm that the Defendant has provided the Commission with: (i) a complete list of Virginia residents who entered the Imprint Personalized Investment Planning Agreement between January 6, 1995 and August 21, 1995; (ii) a complete list of Virginia residents who received a refund of advisory fees; (iii) a complete list of advisory fees that were refunded to each Virginia resident; (iv) a statement that all Virginia residents who were charged an advisory fee have received a refund of the fee; and (v) the number of Virginia residents who accepted the offer to rescind the Imprint Personalized Investment Planning Agreement;

(2) Signet will not, indirectly or directly, transact business in this Commonwealth as an investment advisor unless so registered under the Virginia Securities Act;

(3) Signet 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;

(4) Pursuant to Virginia Code § 13.1-521, Signet will pay to the Commonwealth one hundred fifty thousand dollars ($150,000) as a penalty; and,

(5) Pursuant to Virginia Code § 13.1-518A, Signet will pay to the Commission three thousand dollars ($3,000) to defray the cost of the investigation.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(A) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(B) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(C) That the affidavit described in paragraph (1), above, be made a part of this Settlement Order;

(D) That pursuant to Virginia Code § 13.1-518A, Signet pay to the Commission the sum of three thousand dollars ($3,000) to defray the cost of the investigation and that pursuant to Virginia Code § 13.1-521, Signet pay to this Commonwealth the sum of one hundred fifty thousand dollars ($150,000) as a penalty and that the Commission and the Commonwealth, recover of and from the Defendant said amounts; and,

(E) That the sum of one hundred fifty three thousand dollars ($153,000) tendered by Signet contemporaneously with the entry of this Settlement Order is accepted.

(F) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC950096
OCTOBER 24, 1995

APPLICATION OF
LOUDOUN ECONOMIC DEVELOPMENT AND
AFFORDABLE HOUSING FOUNDATION, INC.
and
AUTUMN HILL DEVELOPMENT CORPORATION

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application of the Loudoun Economic Development and Affordable Housing Foundation, Inc. ("LEDAHF") and Autumn Hill Development Corporation ("AHDC") dated August 17, 1995, as supplemented by letter dated August 30, 1995, filed under Va. Code § 13.1-525 by their counsel and upon payment of the requisite fee. Applicants have requested a determination that the offer and sale of the limited partnership interests described below are exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to Va. Code § 13.1-514 B 12. The pertinent information contained in the application is summarized as follows:

The LEDAHF is a non-profit, publicly supported, federal tax exempt foundation whose purpose is to further economic development and affordable housing in Loudoun County, Virginia. AHDC is a wholly-owned subsidiary of the LEDAHF and is the corporate general partner of Autumn Hill Associates Limited Partnership ("AHALP"), a limited partnership formed under Virginia law. AHALP was organized for the purpose of building and marketing a community of more than 400 affordable single-family townhouse dwelling units in the Purcellville area of Loudoun County. The first affordable housing development is known as the "Autumn Hill" project. As other such projects are developed by the LEDAHF, a separate limited partnership with a separate wholly-owned LEDAHF subsidiary as the corporate general partner will be organized to construct and market each project. To raise seed money for the Autumn Hill project, AHALP proposes to sell limited partnership interests primarily to residents of and businesses located in Loudoun County. The limited partnership interests will consist of two classes, Class A and Class B. Class A interests will be offered and sold in minimum units of $15,000, with an anticipated maximum of 56 units to be offered. Class B interests will be offered and distributed in the form of units, each equivalent to 1/10 of 1% of a Class A interest. Cash distributions to Class B interests will be subordinate to distributions to Class A interests. Class A interests will be marketed by the officers and agents of AHDC, the corporate general partner of AHALP. Class B interests will be distributed to each person who donates at least $1,000 to LEDAHF and then pays an additional $25 for the Class B unit.

As is relevant to this matter, Va. Code § 13.1-514 B 12 provides an exemption from the securities, broker-dealer and agent registration requirements of the Securities Act for "[a]ny offer or sale of any interest in any partnership ... created solely to provide residential housing located in the Commonwealth, provided that such offer or sale is by the issuer or by a real estate broker or real estate agent duly licensed in Virginia[.]" Applicants assert, among other things, that the limited partnership interests will be offered and sold by the issuer, AHALP, as follows: Class A interests will be marketed by the officers, directors, employees and agents of AHDC, the corporate general partner of AHALP, and by real estate agents and brokers duly licensed in Virginia; Class B interests will be offered and sold by the officers, directors and employees of the LEDAHF acting as sales representatives of AHALP.

THE COMMISSION, upon consideration of this matter and in reliance upon the facts and representations asserted by Applicants, is of the opinion and finds that the foregoing offers and sales are within the purview of the exemption provided by Va. Code § 13.1-514 B 12. It is, therefore,

ORDERED that the offer and sale of the limited partnership interests described above be, and they hereby are, exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to Va. Code § 13.1-514 B 12.

CASE NOS. SEC950099 and SEC950101
NOVEMBER 6, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

v.

THOI MOI-PHU NU MOI, INC., a/k/a NEW TIMES - NEW WOMEN, INC., and,
DUNG VAN VO, a/k/a NGUYEN VIET QUANG,
Defendants

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, Thoi Moi-Phu Nu Moi, Inc. ("TMPNM"), also known as New Times-New Women, Inc., and Dung Van Vo ("VO"), also known as Nguyen Viet Quang, pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that (i) VO transacted business in this Commonwealth as an unregistered agent of TMPNM in violation of Virginia Code § 13.1-504A, (ii) TMPNM employed VO as an unregistered agent in violation of Virginia Code § 13.1-504B, (iii) TMPNM and VO offered and sold unregistered securities in the form of shares of stock issued by TMPNM, in violation of Virginia Code § 13.1-507 and, (iv) TMPNM and VO 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 a transaction which operated as a fraud and deceit upon the purchaser of the stock, 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) Within fifteen (15) days of the date of this Order Accepting Offer of Settlement, Defendants will jointly make, or cause to be made, a written offer of rescission to the purchaser of TMPNM stock, Ms. Van Khanh Kim ("KIM"). The rescission offer will include as a minimum 1) an explanation that the rescission offer is pursuant to the terms of this order, 2) a provision that allows KIM thirty (30) days from date of receipt of the rescission offer to provide TMPNM and VO written notification of her decision to accept or reject the offer, 3) a commitment that, if the offer is accepted, TMPNM and VO jointly and severally will pay KIM forty-four thousand dollars ($44,000) principal sum, plus interest of four thousand one hundred eighty-eight dollars ($4,188) as restitution in full for her investment, with the total sum due of $48,188 to be paid in accordance with the following terms and conditions:

(i) The Defendants agree to make equal monthly payments of $1000 for forty-seven consecutive months plus one final payment of $1,188, with the first payment to be due on the first day of the month following receipt of written notification of acceptance of the rescission offer noted above. Subsequent payments will be due the first day of each succeeding month until all payments have been made, with a penalty of 5% of the monthly payment to be paid with any payment that has not been forwarded so as to allow receipt not later than the fifth day of the month due.

(ii) The Defendants also agree that, in the event any monthly payment or penalty has not been forwarded in sufficient time so as allow receipt by the fifteenth day of the month, the full unpaid balance shall become immediately due and payable and that they will pay court costs and reasonable attorney's fee to collect said unpaid balance.

(iii) Because of the circumstances giving rise to this obligation of restitution, the Defendants agree that said obligation shall not be dischargeable in bankruptcy, in whole or in part.

(B) Evidence of compliance with the provisions of paragraph (A), above, will be filed with the Division by the Defendants within sixty (60) days from the date the rescission offer is forwarded to KIM. Such evidence will be in the form of an affidavit executed by VO personally and as President of TMPNM and will contain the following information: (i) a statement that a copy of this order and an offer of rescission were sent to KIM, (ii) if the rescission offer is accepted, a statement that the term and conditions of restitution are as specified in paragraph (A) of this order or, if any changes were mutually agreed upon by the parties, a copy of the amended rescission offer and, (iii) if the rescission offer is declined, a statement that KIM declined the offer of rescission with an attached copy of the letter of response signed by KIM to evidence that the rescission was declined.

(C) VO will be permanently enjoined from transacting business in this Commonwealth as an agent unless so registered under the Virginia Securities Act, or exempt therefrom.

(D) TMFNM and VO will be permanently enjoined from offering or selling securities in this Commonwealth, unless the security is registered under the Virginia Securities Act, or exempt therefrom.

(E) TMFNM 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.

(F) TMPNM and VO will be permanently enjoined from participating in the offer and sale of securities in violation of § 13.1-502 of the Virginia Securities Act.

(G) Pursuant to Virginia Code § 13.1-518, the Defendants will jointly pay to the Commission the sum of two thousand dollars ($2000) to defray the costs of the investigation.

(H) 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:

(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 § 13.1-518, TMFNM and VO jointly pay to the Commission the sum of two thousand dollars ($2000) to defray the costs of the investigation, and that the Commission recover of and from the Defendants, said amount, which is to be forwarded to the Commission with the affidavit described in paragraph (B), above;

(4) That the affidavit described in paragraph (B), above, upon filing, be made a part of this order;

(5) That, pursuant to Virginia Code § 13.1-519, VO be 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, TMFNM and VO be permanently enjoined from offering or selling securities in this Commonwealth, unless the security is registered under the Virginia Securities Act, or exempt therefrom;

(7) That, pursuant to Virginia Code § 13.1-519, TMFNM be permanently enjoined from employing any securities agent in this Commonwealth, unless the agent is registered under the Virginia Securities Act, or exempt therefrom;

(8) That, pursuant to Virginia Code § 13.1-519, TMPNM and VO be permanently enjoined from participating in the offer or sale of securities in violation of § 13.1-502 of the Virginia Securities Act; and,

(9) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of the Defendants, failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC950100
NOVEMBER 6, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CHARLES A. SCHOOLCRAFT,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Charles A. Schoolcraft ("Schoolcraft"), pursuant to Virginia Code § 13.1-518.

As a result of the investigation, the Division alleges that (i) Schoolcraft transacted business in this Commonwealth as an unregistered agent for First Capital Marketing Group, Partners Insurance Network, and Adams Van-Dyke Investments, in violation of Virginia Code § 13.1-504(A), (ii) Schoolcraft offered and sold unregistered securities to Virginia residents in the form of promissory notes issued by McCarn's Allstate Finance, Inc., Direct Participation Services, Inc., d/b/a Government Financial, James G. Freeman, Inc., and Cross Financial Services, Inc., in violation of Virginia Code § 13.1-507, and (iii) Schoolcraft offered and sold securities in violation of Virginia Code § 13.1-502 by failing to advise investors that he was subject to a censure and permanent bar by the New York Stock Exchange from conducting securities activities. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

As a proposal to settle all matters arising from the allegations made against him, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) By statement dated October 2, 1995, Schoolcraft attested to the fact that he is unable to pay the Commonwealth a fine, with such statement being made part of this Order of Settlement.

(2) Schoolcraft will not apply for registration under the Virginia Securities Act as either a broker-dealer or as an agent for a period of ten (10) years from the date of this Order of Settlement.

(3) Schoolcraft will not engage in promotional work on behalf of any issuer whose securities are to be offered or sold in this Commonwealth or any broker-dealer who transacts business in this Commonwealth, including but not limited to structuring securities offerings or preparing securities offering documents, for a period of ten (10) years from the date of this Order of Settlement.

(4) Schoolcraft will not serve as an officer or director or in any supervisory capacity for any broker-dealer registered under the Virginia Securities Act or for any issuer whose securities are offered or sold in this Commonwealth.

(5) Schoolcraft will be permanently enjoined from future violations of the Virginia Securities Act.

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 § 13.1-519, Charles A. Schoolcraft be, and hereby is, permanently enjoined from violating provisions § 13.1-502, § 13.1-504 or § 13.1-507 of the Securities Act of Virginia; and,

(4) That this case is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC950102
NOVEMBER 2, 1995

APPLICATION OF
ANTIOCH 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 September 15, 1995, with exhibits attached thereto, as subsequently amended, of Antioch Baptist Church ("Antioch") located at 1384 New Market Road, Richmond, VA 23231, requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Antioch 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: Antioch is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and benevolent purposes; Antioch intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $340,000 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 Antioch 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 Antioch 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. SEC950106
NOVEMBER 14, 1995

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
STRATTON OAKMONT, INC.,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") conducted an investigation of Defendant, Stratton Oakmont, 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, in violation of § 13.1-507 of the Act, sold securities in this Commonwealth that were not registered or exempt from registration to Ronald R. Dixon.

Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order.

As an offer to settle all matters arising from the allegations made against it, Defendant has proposed and agrees to comply with the following terms and undertakings:

(1) Defendant will comply with Code § 13.1-507 of the Virginia Securities Act in all future offers or sales of securities in this Commonwealth.

(2) Defendant will refrain from any further conduct which constitutes a violation of the Virginia Securities Act.

(3) Defendant, pursuant to Virginia Code § 13.1-521, will pay a penalty to the Commonwealth in the amount of fifteen thousand dollars ($15,000), which will be tendered contemporaneously with the entry of this order; and,

(4) Defendant, pursuant to Virginia Code § 13.1-518, will pay to the Commission the sum of three thousand one hundred twenty-one dollars and seventy-three cents ($3,121.73) 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 shall pay a penalty to the Commonwealth in the amount of fifteen thousand dollars ($15,000) and the Commonwealth recover of and from Defendant said amount;

(4) That pursuant to Virginia Code § 13.1-518, Defendant shall pay to the Commission to reimburse it for the costs of the investigation, the sum of three thousand one hundred twenty-one dollars and seventy-three cents ($3,121.73);

(5) That the total sum of eighteen thousand one hundred twenty-one dollars and seventy-three cents ($18,121.73) tendered by Defendant contemporaneously with the entry of this order is accepted; and,

(6) That this matter is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC950108
NOVEMBER 20, 1995

APPLICATION OF
ROCK CHURCH

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated September 27, 1995, with exhibits attached thereto, as subsequently amended, of Rock Church ("Rock") located at 580 Kempsville Road, Virginia Beach, VA 23464, requesting that certain Deed of Trust Bonds (Series of September 29, 1995) 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: Rock is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and benevolent purposes; Rock intends to offer and sell Deed of Trust Bonds (Series of September 29, 1995) in an approximate aggregate amount of $4,000,000 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 in Virginia by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Rock 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. SEC950110
DECEMBER 4, 1995

APPLICATION OF
NORTHERN VIRGINIA HEBREW CONGREGATION

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 13, 1995, with exhibits attached thereto, as subsequently amended, of Northern Virginia Hebrew Congregation ("NVHC"), requesting that certain General First Deed of Trust Bonds and Subordinate Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of NVHC 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: NVHC is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and charitable purposes; NVHC intends to offer and sell General First Deed of Trust Bonds in an approximate aggregate amount of $300,000 and Subordinate Deed of Trust Bonds in an aggregate amount of $1,100,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of NVHC 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 NVHC 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. SEC950113
DECEMBER 20, 1995

APPLICATION OF
FREE METHODIST FOUNDATION

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated April 25, 1994, with exhibits attached thereto, as subsequently amended, of Free Methodist Foundation ("Free"), requesting that certain certificates 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 Free 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: Free is a nonprofit organization organized and operated exclusively for religious, charitable, scientific, literary and educational purposes; Free intends to offer and sell Flexible Investment Certificates and Term Certificates in an approximate aggregate amount of $25,000,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by agents of Free 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 Free 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 § 13.1-514.1B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the issuer's agents be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC950120
DECEMBER 22, 1995

APPLICATION OF
CHURCH EXTENSION PLAN

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated November 6, 1995, with exhibits attached thereto, of Church Extension Plan ("CEP"), requesting that interests in CEP be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain officers of CEP who will make the offer and sale of securities on CEP's behalf 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: CEP is a non profit corporation organized under the laws of the State of Oregon formed not for private profit but exclusively for religious, charitable, scientific and education purposes; CEP is a pooled income fund within the meaning of § 642 (c)(5) of the Internal Revenue Code of 1986; CEP intends to offer and sell secured promissory notes in the aggregate amount of $25,000,000 on terms and conditions more fully described in the Prospectus filed as part of the application; said securities are to be offered and sold in the Commonwealth by CEP's officers who will not be compensated for their sales efforts; and said securities also may be offered and sold by agents so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by CEP in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and that the agent registration requirements of the Securities Act are waived for CEP's officers.

CASE NO. SEC950121
DECEMBER 22, 1995

APPLICATION OF
MIDLOTHIAN 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 October 24, 1995 with exhibits attached thereto, as subsequently amended, of Midlothian Baptist Church ("Midlothian"), 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 Midlothian 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: Midlothian is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Midlothian intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $250,000 on terms and conditions as more fully described in the Prospectus filed as part of the application; said securities are to be offered and sold by a bond sales committee composed of members of Midlothian 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 Midlothian in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the bond sales committee 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 1994 and 1995.

VIRGINIA CORPORATIONS

	1994	1995
Certificates of Incorporation issued	19,150	19,172
Corporations voluntarily terminated	1,450	2,044
Corporations involuntarily terminated	269	337
Corporations automatically terminated	13,036	13,584
Reinstatements of terminated corporations	2,035	2,224
Charters amended	2,904	3,073
Active Stock Corporations	125,585	130,020
Active Non-Stock Corporations	23,032	23,815
Total Active Virginia Corporations	148,617	153,835

FOREIGN CORPORATIONS

Certificates of Authority to do business in Virginia issued	3,759	3,863
Voluntary withdrawals from Virginia	504	911
Certificates of Authority automatically revoked	2,200	2,185
Certificates of Authority involuntarily revoked	37	50
Reentry of corporations with surrendered or revoked certificates	364	441
Charters amended	909	1,179
Active Stock Corporations	26,950	27,837
Active Non-Stock Corporations	1,585	1,670
Total Active Foreign Corporations	28,535	29,507
Total Active (Foreign and Domestic) Corporations	177,152	183,342

LIMITED PARTNERSHIPS

Limited Partnership Certificates filed	1,336	1,304
Limited Partnership Certificates amended	804	703
Limited Partnership Certificates canceled	398	438
Total active Limited Partnerships	9,920	9,789

LIMITED LIABILITY COMPANIES

Articles of organization filed	2,963	4,215
Articles of organization amended	134	210
Articles of organization canceled	86	154
Total Active Limited Liability Companies	5,396	9,745

LIMITED LIABILITY PARTNERSHIPS

Applications LLP	29	56
Renewals LLP	0	11
Total Active Limited Liability Partnerships	29	85

MOTOR CARRIER DIVISION

LICENSES AND CERTIFICATES ISSUED JANUARY 1, 1995 THROUGH JUNE 30, 1995*

Brokers	4
Common Carriers of Passengers	11
Executive Sedan Carriers	14
Household Goods Carriers	6
Limousine Carriers	35
Special or Charter Party Carriers	13
Motor Carrier Accounts Audited	517
Complaints Investigated	79
Cases Processed Before the Commission	934
Penalties Assessed by the Commission	$210,500
Total Freight Carriers Registered in 1995	61,699
Total Freight Vehicles Registered in 1995	507,467
Total Passenger Carriers Registered in 1995	5,156
Total Passenger Vehicles Registered in 1995	13,020
1995 Total Motor Fuel Road Tax Accounts	50,727

*License and certificate issuing authority was transferred to the Department of Motor Vehicles on July 1, 1995.

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 1994, AND JUNE 30, 1995

General Fund	1994	1995	Difference
Security Registration Fee	$10,300.00	$6,775.00	($3,525.00)
Charter Fees	1,339,465.00	1,360,858.40	21,393.40
Entrance Fees	1,134,109.00	1,164,198.00	30,089.00
Filing Fees	748,904.00	814,649.00	65,745.00
Registered Name	1,214.00	1,368.00	154.00
Registered Office and Agent	174,718.00	170,219.00	(4,499.00)
Service of Process	20,640.00	20,850.00	210.00
Copy & Recording Fees	392,931.92	388,024.95	(4,906.97)
Annual Report Publication	4,982.00	8,495.00	3,513.00
Uniform Commercial Code Revenues	755,738.99	773,673.00	17,934.01
Excess Fees Paid into State Treasury	95,722.37	93,879.62	(1,842.75)
Miscellaneous Sales	0.00	90.00	90.00
TOTAL	$4,678,725.28	$4,803,079.97	$124,354.69
Special Fund			
Domestic-Foreign	$13,570,346.56	$13,943,311.58	$372,965.02
Limited Partnership Registration Fee	348,570.00	388,070.00	39,500.00
Reserved Name - Limited Partnership	32,470.00	30,480.00	(1,990.00)
Certificate Limited Partnership	111,600.00	107,300.00	(4,300.00)
Application Reg. Foreign L.P.	25,400.00	27,200.00	1,800.00
Registration Fee LLC	70,700.00	169,850.00	99,150.00
Application for Reg. LLC	3,900.00	18,075.00	14,175.00
Art of Org Dom. LLC	220,510.00	335,500.00	114,990.00
AJD, CANC, CORR. RAC, Etc. LLC	6,225.00	12,345.00	6,120.00
SCC Bad Check Fee	5,792.12	4,395.00	(1,397.12)
Interest on Del. Tax	1.30	3.70	2.40
Penalty on Non-Pay Taxes by Due Date	358,737.19	313,023.51	(45,713.68)
Miscellaneous Revenue	14,894.94	36,000.00	21,105.06
New Applications LLP	0.00	4,300.00	4,300.00
Renewals LLP	0.00	50.00	50.00
Recovery of Prior Year Expenses	0.00	3,717.39	3,717.39
TOTAL	$14,769,147.11	$15,393,621.18	$624,474.07

Valuation Fund			
Recovery of Copy & Cert. Fee	$6,173.85	$4,099.50	($2,074.35)
Recovery of Prior Year Expenses	564.88	2,459.50	1,894.62
TOTAL	$6,738.73	$6,559.00	($179.73)
Motor Carrier Special Fund			
SCC Bad Chk. Fee	$130.00	$0.00	($130.00)
Recovery of Prior Year Expenses	29.90	0.00	(29.90)
TOTAL	$159.90	$0.00	($159.90)
Trust & Agency Fund			
Fines Imposed by SCC	$6,000.00	$50,350.00	$44,350.00
TOTAL	$6,000.00	$50,350.00	$44,350.00
Federal Funds			
Receipt of Agency Indirect Cost of Grant/Contract Administration	$6,631.00	$19,615.17	$12,984.17
Gas Pipeline Safety	120,946.00	124,783.00	3,837.00
TOTAL	$127,577.00	$144,398.17	$16,821.17
GRAND TOTAL	$19,588,348.02	$20,398,008.32	$809,660.30

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 1994, AND 1995

	1993/1994	1994/1995
Banks	$5,554,489	$5,607,547
Savings Institutions and Savings Banks	24,097	33,319
Consumer Finance Licensees	416,947	693,527
Credit Unions	393,985	516,282
Trust Subsidiaries and Trust Companies	71,713	173,786
Industrial Loan Associations	31,450	23,319
Money Order Sellers and Transmitters	4,400	5,500
Debt Counseling Agency Licensees	6,300	6,300
Mortgage Lenders and Brokers	723,419	834,388
Miscellaneous Collections	2,853	32,334
TOTAL	$7,229,653	$7,926,302

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR FISCAL YEARS ENDING JUNE 30, 1994, AND JUNE 30, 1995

Kind	1994	1995	Increase or (Decrease)
General Fund			
Gross Premium Taxes of Insurance Companies	$196,416,402.91	$209,784,063.00	$13,367,660.09
Fraternal Benefit Societies Licenses	500.00	500.00	0.00
Hospital, Medical, and Surgical Plans & Salesmen's Licenses	51,750.00	65,040.00	13,290.00
Interest on Delinquent Taxes	1,265.72	129,584.00	128,318.28
Penalty of non-payment of taxes by due date	73,177.39	103,266.00	30,088.61
Special Fund			
Company License Application Fee	14,000.00	18,000.00	4,000.00
Prepaid Legal Service License Fee	0.00	0.00	0.00
Health Maintenance Organization License Fee	500.00	500.00	0.00
Automobile/Agent Licenses	7,704.00	7,494.00	(210.00)
Insurance Premium Finance Companies License	12,300.00	11,300.00	(1,000.00)
Agents Appointment Fees	5,365,070.00	5,659,610.00	294,540.00

Surplus Lines Broker Licenses	13,775.00	14,970.00	1,195.00
Agents License Application Fees	259,995.00	295,365.00	35,370.00
Recording, Copying, and Certifying Public Records Fee	47,337.01	59,303.00	11,965.99
Assessments to Insurance Companies for Maintenance of the Bureau of Insurance	6,682,583.87	7,985,842.00	1,303,258.13
Miscellaneous Revenue	0.19	3.00	2.81
Recovery of Prior Year Expenses	32,350.19	111,932.00	79,581.81
Fire Programs Fund	8,718,677.58	9,038,388.00	319,710.42
Licensing P&C Consultants	38,450.00	41,850.00	3,400.00
SCC Bad Check Fee	25.00	75.00	50.00
Fines Imposed by the State Corporation Commission	1,137,283.00	6,083,650.00	4,946,367.00
Private Review Agents	13,000.00	26,500.00	13,500.00
Flood Assessment Fund	151,393.72	139,185.00	(12,208.72)
Heat Assessment Fund	682,943.46	748,111.00	65,167.54
Reinsurance Intermediary Broker Fees	2,500.00	2,000.00	(500.00)
Reinsurance Intermediary Manager Fees	500.00	0.00	(500.00)
Managing General Agents	3,500.00	6,500.00	3,000.00
Bank Conversion Investigation Fee	0.00	0.00	0.00
State Publication Sales	720.00	660.00	(60.00)
TOTAL	$219,727,704.04	$240,333,691.00	$20,605,986.96

COMPARISON OF FEES AND TAXES COLLECTED FROM MOTOR CARRIERS FOR THE YEARS ENDING DECEMBER 31, 1994, AND DECEMBER 31, 1995

Kind	1994	1995	Increase/ Decrease
Motor Fuel Road Tax	$25,030,369	$25,804,492	+$774,123
Registration Fees	$7,845,350	$5,513,456	-$2,331,894
Audit Assessments	$915,296	$775,684	-$139,612
Audit Refunds	$5,456,598	$6,203,952	+$747,354
TOTAL	$39,247,613	$38,297,584	-$950,029

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1994 AND 1995

Class of Company	Value of all Taxable Property Including Rolling Stock 1994	1995	Increase or (Decrease)
Electric Light & Power Corporations	$13,247,839,195.00	$13,698,169,230.00	$450,330,035.00
Gas Corporations	924,793,780.00	1,011,084,465.00	86,290,685.00
Motor Vehicle Carriers (Rolling Stock only)	85,983,686.59	106,649,522.90	20,665,836.31
Telecommunications Companies	6,562,313,922.00	6,525,063,787.00	(37,250,135.00)
Water Corporations	101,019,779.00	98,722,163.00	(2,297,616.00)
TOTAL	$20,921,950,362.59	$21,439,689,167.90	$517,738,805.31

COMPARISON OF ASSESSMENT OF STATE TAXES OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1994 AND 1995

Class of Company	The Yearly License Tax 1994	1995	Increase or (Decrease)
Electric Light & Power Corporations	$91,966,466.46	$89,804,435.85	$(2,162,030.61)
Gas Corporations	13,907,227.14	14,060,840.34	153,613.20
Water Corporations	714,465.92	716,745.11	2,279.19
TOTAL	$106,588,159.52	$104,582,021.30	$(2,006,138.22)

COMPARISON OF ASSESSMENT OF ADDITIONAL ANNUAL STATE TAX FOR VALUATION AND RATE MAKING OF CERTAIN CLASSES OF UTILITY COMPANIES FOR THE YEARS 1994 AND 1995

Class of Company	1994	1995	Increase or (Decrease)
Electric Light & Power Corporations	$5,224,698.46	$5,245,792.73	$ 21,094.27
Gas Corporations	695,411.37	703,042.03	7,630.66
Motor Vehicle Carriers	50,928.55	49,796.33	(1,132.22)
Railroad Companies	568,142.50	581,920.72	13,778.22
Telecommunications Companies	2,498,676.82	2,709,022.17	210,345.35
Virginia Pilots Association	10,297.78	10,178.40	(119.38)
Water Corporations	35,723.34	35,837.32	113.98
TOTAL	$9,083,878.82	$9,335,589.70	$251,710.88

Railroad Companies assessed at seven-hundredths of one percent and all other companies at one-tenth of one percent.

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Cities	1994	1995	Increase or Decrease
Alexandria	$464,332,865	$460,739,425	$(3,593,440)
Bedford	7,733,656	8,472,324	738,668
Bristol	10,251,010	10,510,394	259,384
Buena Vista	7,938,174	8,557,505	619,331
Charlottesville	89,016,814	93,855,863	4,839,049
Chesapeake	607,015,228	626,934,771	19,919,543
Clifton Forge	7,051,496	7,962,970	911,474
Colonial Heights	24,126,340	24,368,657	242,317
Covington	17,436,278	18,346,521	910,243
Danville	43,189,607	40,766,655	(2,422,952)
Emporia	17,373,064	15,313,890	(2,059,174)
Fairfax	89,077,364	82,037,866	(7,039,498)
Falls Church	16,660,923	17,279,702	618,779
Franklin	7,978,061	8,586,523	608,462
Fredericksburg	46,645,281	52,058,092	5,412,811
Galax	10,353,577	10,557,995	204,418
Hampton	224,634,836	220,852,952	(3,781,884)
Harrisonburg	34,178,548	35,190,819	1,012,271
Hopewell	61,240,499	64,081,882	2,841,383
Lexington	9,682,823	12,743,916	3,061,093
Lynchburg	133,429,394	146,924,852	13,495,458
Manassas	45,753,952	51,022,362	5,268,410
Manassas Park	8,309,512	9,483,733	1,174,221
Martinsville	23,842,027	25,605,773	1,763,746
Newport News	281,679,004	289,560,554	7,881,550
Norfolk	456,884,794	456,582,875	(301,919)

Norton	24,189,183	25,211,081	1,021,898
Petersburg	73,920,459	81,636,505	7,716,046
Poquoson	10,030,006	10,941,652	911,646
Portsmouth	143,407,645	150,894,808	7,487,163
Radford	12,937,895	13,637,449	699,554
Richmond	633,766,768	622,865,982	(10,900,786)
Roanoke	189,696,538	203,823,679	14,127,141
Salem	23,020,282	24,098,450	1,078,168
South Boston	14,064,795	13,677,718	(387,077)
Staunton	43,333,565	48,756,617	5,423,052
Suffolk	116,406,637	119,014,912	2,608,275
Virginia Beach	592,014,805	625,924,879	33,910,074
Waynesboro	36,267,467	34,906,264	(1,361,203)
Williamsburg	34,786,731	35,497,021	710,290
Winchester	41,917,247	43,368,777	1,451,530
Total Cities	$ 4,735,575,150	$ 4,852,654,665	$117,079,515

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	1994	1995	Increase or Decrease
Accomack	$65,102,410	$70,497,912	$5,395,502
Albemarle	161,758,296	176,827,239	15,068,943
Alleghany	35,722,062	36,955,503	1,233,441
Amelia	19,743,801	19,724,212	(19,589)
Amherst	49,195,739	50,872,382	1,676,643
Appomattox	20,553,946	20,118,972	(434,974)
Arlington	808,350,701	777,987,123	(30,363,578)
Augusta	134,273,931	145,979,231	11,705,300
Bath	1,495,803,547	1,422,026,074	(73,777,473)
Bedford	103,822,030	148,234,770	44,412,740
Bland	11,101,794	11,691,574	589,780
Botetourt	89,002,983	91,833,346	2,830,363
Brunswick	36,430,340	35,007,482	(1,422,858)
Buchanan	51,418,433	54,441,987	3,023,554
Buckingham	30,803,498	33,547,690	2,744,192
Campbell	104,941,571	104,294,272	(647,299)
Caroline	81,777,447	80,030,010	(1,747,437)
Carroll	48,125,888	51,255,996	3,130,108
Charles City	26,598,613	26,610,380	11,767
Charlotte	21,870,147	23,891,446	2,021,299
Chesterfield	1,119,369,700	1,129,887,021	10,517,321
Clarke	25,134,918	25,267,485	132,567
Craig	10,377,026	11,326,343	949,317
Culpeper	74,503,690	77,445,830	2,942,140
Cumberland	22,565,544	22,049,871	(515,673)
Dickenson	35,897,346	34,945,433	(951,913)
Dinwiddie	57,741,777	59,200,474	1,458,697
Essex	20,687,663	23,318,838	2,631,175
Fairfax	1,958,477,225	1,912,139,560	(46,337,665)
Fauquier	141,479,794	142,078,123	598,329
Floyd	22,414,821	32,161,854	9,747,033
Fluvanna	116,102,966	118,976,161	2,873,195
Franklin	73,948,487	95,046,515	21,098,028
Frederick	160,466,950	162,062,748	1,595,798
Giles	106,386,907	108,084,970	1,698,063
Glouchester	68,422,937	69,406,873	983,936
Goochland	42,619,670	45,322,085	2,702,415
Grayson	24,643,765	25,610,605	966,840
Greene	15,948,686	17,914,476	1,965,790
Greensville	$17,589,935	$18,281,068	$691,133
Halifax	480,349,506	449,856,552	(30,492,954)
Hanover	199,795,018	214,905,830	15,110,812
Henrico	642,115,742	640,004,664	(2,111,078)

Henry	85,934,998	96,420,373	10,485,375
Highland	16,202,230	15,948,969	(253,261)
Isle of Wight	71,284,890	80,313,516	9,028,626
James City	113,506,257	114,701,978	1,195,721
King George	32,641,841	35,936,592	3,294,751
King and Queen	12,858,547	14,970,629	2,112,082
King William	26,533,004	26,818,893	285,889
Lancaster	30,271,591	31,764,913	1,493,322
Lee	51,416,831	49,069,053	(2,347,778)
Loudoun	291,992,805	309,574,185	17,581,380
Louisa	1,771,739,589	1,946,366,724	174,627,135
Lunenburg	20,535,382	20,820,093	284,711
Madison	21,074,796	22,055,556	980,760
Mathews	17,593,678	17,995,483	401,805
Mecklenburg	72,364,505	75,355,430	2,990,925
Middlesex	24,064,993	32,718,760	8,653,767
Montgomery	89,832,887	96,924,341	7,091,454
Nelson	37,628,037	38,512,320	884,283
New Kent	37,254,851	37,084,088	(170,763)
Northampton	29,431,607	31,724,024	2,292,417
Northumberland	27,080,890	27,732,804	651,914
Nottoway	28,068,218	28,762,649	694,431
Orange	52,332,223	58,398,755	6,066,532
Page	42,482,875	44,238,888	1,756,013
Patrick	29,725,217	30,377,091	651,874
Pittsylvania	121,493,270	122,364,702	871,432
Powhatan	44,909,150	47,405,194	2,496,044
Prince Edward	29,371,489	30,296,355	924,866
Prince George	37,530,887	41,110,546	3,579,659
Prince William	797,589,345	795,956,983	(1,632,362)
Pulaski	75,932,430	74,569,687	(1,362,743)
Rappahannock	18,444,814	18,524,413	79,599
Richmond	36,522,606	33,109,796	(3,412,810)
Roanoke	142,579,163	149,554,910	6,975,747
Rockbridge	56,769,362	58,147,041	1,377,679
Rockingham	$124,791,572	$128,855,887	$4,064,315
Russell	150,386,635	194,394,585	44,007,950
Scott	32,012,178	33,988,157	1,975,979
Shenandoah	69,140,930	76,853,718	7,712,788
Smyth	61,725,079	63,804,369	2,079,290
Southampton	36,401,381	34,182,721	(2,218,660)
Spotsylvania	147,647,795	165,091,089	17,443,294
Stafford	126,925,055	139,937,299	13,012,244
Surry	1,318,625,124	1,354,456,192	35,831,068
Sussex	33,034,638	31,854,032	(1,180,606)
Tazewell	62,329,607	65,834,440	3,504,833
Warren	41,999,156	43,983,847	1,984,691
Washington	64,349,145	65,908,627	1,559,482
Westmoreland	25,007,386	37,305,033	12,297,647
Wise	61,981,654	59,096,331	(2,885,323)
Wythe	62,792,057	63,865,444	1,073,387
York	452,809,626	448,226,495	(4,583,131)
Total Counties	$16,100,391,526	$16,480,384,980	$379,993,454
Total Cities & Counties	$20,835,966,676	$21,333,039,645	$497,072,969

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 1994, AND DECEMBER 31, 1995

Kind	1994	1995	Increase or (Decrease)
Securities Act	$5,051,894	$5,054,727	$2,833
Retail Franchising Act	284,700	276,000	(8,700)
Trademarks-Service Marks	16,205	19,380	3,175
Fines	121,325	325,895	204,570
TOTAL	$5,474,124	$5,676,002	$201,878

PROCEEDINGS BY DIVISIONS DURING THE YEAR 1995

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 1995.

General Rate Cases	
Electric Companies (Investor Owned)	0
Electric Cooperatives	1
Gas Companies	4
Telephone Companies	1
Water and Sewer Companies	5
Miscellaneous	1
Total General Rate Cases	12
Expedited Rate Cases	
Electric Companies (Investor Owned)	1
Electric Cooperatives	0
Gas Companies	3
Telephone Companies	0
Water and Sewer Companies	0
Miscellaneous	0
Total Expedited Rate Cases	4
Certificate Cases	
Gas Companies	1
Water and Sewer Companies	7
Total Certificate Cases	8
Annual Informational Filings	
Report Only	
Electric Companies (Investor Owned)	5
Gas Companies	1
Telephone Companies	6
Water and Sewer Companies	1
Total Annual Informational Filings	13
Allocation/Separations Studies	
Telephone Companies	6
Fuel Audits-Electric Companies	16
Compliance Audits	0
Special Studies	7

During the year 1995, 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	10
Transfer of Securities or Control	1
Number of Affiliates Act Cases	
Service Agreements	29
Lease Agreements	10
Gas Purchases/ Supply	3
Advances of Funds	4
Aircraft Agreements	1
Mergers	2
Ownership Transfers	1
Tax Allocation Agreements	1
Directory Publishing Agreements	1
Rule to Show Cause	1

Number of Miscellaneous Cases	
Approval of Waiver to Amortize Reacquisition Costs	1
TOTAL NUMBER OF CASES	65

The Commission's Division of Public Utility Accounting consisted of the following personnel on December 31, 1995:

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	1	Senior Public Utility Accountant
4		Public Utility Accountant
4	3	Associate Public Utility Accountant
23	4	Total Authorized 27

DIVISION OF COMMUNICATIONS

The Division of Communications assists the Commission in carrying out its duties as prescribed by the Code of Virginia. The Division monitors, enforces and makes recommendations on certain rates, tariffs, and operating procedures of 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 1995 ACTIVITIES

Consumer complaints and protests investigated	2,691
Telephone inquiries received	2,400
Tariff revisions received	243
Tariff sheets filed	3,191
Cases in which staff members prepared testimony or reports	25
Certificates of Convenience and Necessity granted or amended	2
Depreciation studies completed	1
Extended Area Services studies completed or underway	30
Service Surveillance and Results Analysis Provided	
Monthly on:	
Access Lines	3,990,000
Switching Offices	428
Business Offices	24
Repair Centers	9
Pay Telephone Registration and Rules Enforcement provided on:	
Registered private pay telephone providers	533
Private pay telephones	11,800
LEC pay telephones	ALL
Pay telephone audits	90
Visits to:	
Customer premises to resolve customer complaints	7
Company premises to resolve customer complaints	2
Company premises to review service performance	46
Company premises to inspect network reliability	1
Construction Program reviews	3

OTHER:

Assisted Commission in promulgating rules for local service competition pursuant to legislation effective July 1, 1995.

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
- Processed one revenue neutral tariff filing pursuant to Paragraph 17

- Reviewed proposed service classifications for new services, and reclassifications for existing services
- 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 Association.

Participated in task force on uniform pay telephone consumer information.

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 1995-1999 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.

Director reappointed to the NARUC Staff subcommittee on Communications.

Staff member reappointed to the NARUC Staff subcommittee on Depreciation.

Staff member appointed 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;
- 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 1995

- 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.

- Presented testimony in support of recommended changes to the cooperative rate case rules.
- Completed Annual Informational Filing reports for five telephone companies and seven electric, gas and water utilities.
- Analyzed and processed 29 applications for utilities seeking authority to issue securities.
- Helped prepare a final report in the investigation of Dominion Resources, Inc. and Virginia Power.
- Presented oral testimony in one gas company certificate case.
- Assisted in preparing comments to the Securities and Exchange Commission regarding proposed modification to the Public Utility Holding Company Act.
- Prepared testimony for the Commission's consideration of Section 115 standards for electric utilities under the Energy Policy Act of 1992.
- Prepared a report in filings by two electric utilities and three gas utilities for approval of demand-side management programs.
- Prepared testimony in three electric fuel factor proceedings.
- Prepared testimony in two cogeneration rate proceedings.
- Prepared a report on the 1995 Twenty Year Resource Plans for three of the five investor-owned electric utilities in Virginia, and a report on the 1995 Ten Year Forecast for the other two.
- Prepared a report on the 1994 Five Year Forecasts of the gas utilities in Virginia.
- Developed a series of indices for use in preparing the SCC budget.
- Continued monitoring the status of demand-side programs implemented as experimental pilot programs.
- 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.
- Provided trend analysis in the APCO expedited rate case for the Division of Public Utility Accounting.
- Developed an Excel macro that is based on the OGIVE method used by gas companies for calculating rateblocks for residential customers and for some commercial customers for the Division of Public Utility Accounting.
- Submitted for publication in Financial Management magazine a paper on electric utility risk premiums.

DIVISION OF ENERGY REGULATION

Activities for Calendar Year 1995

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.

SUMMARY OF 1995 ACTIVITIES

Consumer Complaints, Letters of Protest, and Inquiries Received	2,165
Tariff Filings Received	124
Tariff Sheets Filed	880
Gas Safety Inspections (Person Days)	343
Testimony and Reports filed by Staff	40
Certificates of Convenience and Necessity Granted, Transferred or Revised	12
Special Reports	11
Gas Accident Investigations and Incident Reports	22
Electric On-Site Construction Inspections	1
Underground Utility Damage Reports Investigated	114

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 945 applications for various certificates of authority as shown below:

APPLICATIONS RECEIVED AND/OR ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 1995

New Banks	1
Conversions from national to state charter banks	4
Conversion from a Federal Savings Institution to a State Bank	1
Interim Banks	2
Bank Branches	79
Bank Branch Office Relocations	6
Bank EFT Facilities	48
Bank Mergers	4
Mergers Pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994	2
Bank Trust Authority	1
New Independent Trust Companies	1
Acquisitions Pursuant to Chapter 13 of Title 6.1	7
Acquisitions Pursuant to Chapter 15 of Title 6.1	7
Savings Institution Branches	1
Acquisitions Pursuant to The Savings Institutions Act	3
Out-of-State Credit Union	1
Credit Union Mergers	2
Credit Union Service Facilities	12
Consumer Finance Offices	31
Consumer Finance Other Businesses	105
Consumer Finance Office Relocations	25
New Mortgage Brokers	127
New Mortgage Lenders	52
New Mortgage Lenders and Brokers	27
Acquisitions Pursuant to §6.1-416.1 of the Virginia Code	9
Mortgage Branches	180
Mortgage Office Relocations	171
New Money Order Sellers	2
Debt Counseling Agency Offices	8
Industrial Loan Association Relocations	1
New Check Cashers	25

At the end of 1995 there were under the supervision of the Bureau 127 banks with 1,167 branches, 54 Virginia bank holding companies, 11 non-Virginia bank holding companies owning Virginia banks, 2 independent trust companies, 3 savings institutions with 3 branches, 1 savings bank with 1 branch, 85 credit unions, 8 industrial loan associations, 32 consumer finance companies with 326 Virginia offices, 20 money order sellers, 7 non-profit debt counseling agencies, 25 check cashers, 72 mortgage lenders with 382 offices, 347 mortgage brokers with 438 offices, and 168 mortgage lender and brokers with 448 offices.

DIVISION OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 1995

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 1995 ACTIVITIES

New insurance companies licensed to do business in Virginia	32
Insurance company financial statements analyzed	6,051
Financial examinations of insurance companies conducted	31
Property and Casualty insurance rules, rates, and form submissions	5,530
Life and Health insurance policy forms and rate submissions	6,155
Property and Casualty insurance complaints received	4,556
Life and Health insurance complaints received	3,823
Market conduct examinations completed by the Life and Health Division	8
Market conduct examinations completed by the Property and Casualty Division	8
Insurance agents and agencies licensed	87,882
Tax and Assessment Audits	6,000

RAILROAD REGULATION

The Division of Railroad Regulation investigates, at its own volition or upon complaint, rail service and compliance with rules, regulations, and rates by rail common carriers when intrastate aspects are involved; analyzes and handles applications for intrastate rate increases or alteration of service, together with all other rail tariff matters; and conducts inspection and surveillance of 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:

16	qualification applications received
987	coordination applications received
42	notification applications received
568	filings for exemption from registration (Reg. D)
1,759	broker-dealer registrations renewed and granted
92	broker-dealer registrations denied, withdrawn, and terminated
93,257	agent registrations renewed and granted
21,466	agent registrations denied, withdrawn, and terminated
1,516	investment advisor registrations renewed and granted
45	investment advisor registrations denied, withdrawn, and terminated
14,329	investment advisor representative registrations renewed and granted
1,530	investment advisor representative registrations denied, withdrawn, and terminated
47	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
12	orders of show cause
72	judgments of compromise and settlement
27	final order and/or judgment

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

528	applications for trademarks and/or service marks approved, renewed, or assigned
437	applications for trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,509	franchise registration, renewal, or post-effective amendment applications received
283	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

	1994	1995
Financing/Subsequent Statements Filed	72,960	75,235
Federal Tax Liens/Subsequent Liens Filed	4,857	4,338
Reels of Microfilmed documents sold	268	297

INDEX OF LEADING MATTERS DISPOSED OF BY FORMAL ORDER

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LIST OF CASES ESTABLISHED IN 1995

BAN/BFI: **BUREAU OF FINANCIAL INSTITUTIONS**

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.

BAN19950138 Roy D. Hansen Mortgage Company, Inc.
To relocate mortgage broker's office from 3601 N. Fairfax Drive, Suite 206, Arlington, VA to 119 North Henry Street, Alexandria, VA

BAN19950139 American General Finance, Inc.
To relocate mortgage lender's office from 7130 Hull Street, Richmond, VA to 7102 Hull Street, Suite D, Richmond, VA

BAN19950140 American General Finance, Inc.
To relocate mortgage lender's office from 1931 S. Church St., Suite 12B, Smithfield, VA to 1931 S. Church St., Suite 3, Smithfield, VA

BAN19950141 McLean Mortgage Capital, Inc.
To open a mortgage broker's office

BAN19950142 Martinez-Baldivia, Esther
To relocate mortgage broker's office from 14120 Parke-Long Court, Suite 103, Chantilly, VA to 2121 Eisenhower Avenue, Suite 202, Alexandria, VA

BAN19950143 Home Security Mortgage Corp.
To relocate mortgage lender and broker's office from 4500 Plank Road, Fredericksburg, VA to 774 Warrenton Road, Fredericksburg, VA

BAN19950144 Monument Mortgage Corporation
For a mortgage lender's license

BAN19950145 Farmers & Merchants Bank of Stanley
To relocate office from 418 South Third Street Shenandoah, VA to 511 South Third Street, Shenandoah, VA

BAN19950146 Associates Financial Services of Virginia, Inc.
To relocate consumer finance office from 7730 Donegan Drive, Manassas, VA to 10374 Portsmouth Road, Manassas, VA

BAN19950147 Equity One Mortgage Company, Inc.
To relocate mortgage broker's office from 2807 N. Parham Rd., Suite 303, Richmond, VA to 3311 Church Rd., Suite 227, Richmond, VA

BAN19950148 Associates Financial Services of America, Inc.
To relocate mortgage lender's office from 7730 Donegan Drive, Manassas, VA to 10374 Portsmouth Road, Manassas, VA

BAN19950149 NationsCredit Financial Services Corporation of Virginia
To relocate consumer finance office from 1201 Airline Blvd., Portsmouth, VA to 4300 Portsmouth Blvd., Room 178, Chesapeake, VA

BAN19950150 Ford Consumer Finance Company, Inc.
To open a mortgage lender and broker's office at 2 Armstrong Road, #300, Shelton, CT

BAN19950151 Bank of the Commonwealth
To establish an EFT at 150 Park Avenue, Norfolk, VA

BAN19950152 Virginia Mortgage Corporation
To relocate mortgage broker's office from 100 Rodriquez Court VA Beach, VA to 4610 Westgrove Court, Haygood Executive Center, VA Beach, VA

BAN19950153 Financial Resource Group of Virginia, Inc.
To open a mortgage broker's office

BAN19950154 Equity One of Virginia, Inc.
To open a mortgage office at 211 Southgate Shopping Center, Culpeper, VA

BAN19950155 Bank of Marion, The
To open a branch at the northwest corner of State Route 90 East and State Route 1100, Rural Retreat, VA

BAN19950156 MorCap, Inc.
To open a mortgage broker's office

BAN19950157 RJ Residential Funding Corporation
To open a mortgage lender's office

BAN19950158 Transamerica Homefirst, Inc.
For a mortgage lender's license

BAN19950159 Beard Development Corporation t/a America's Home Mortgage Company
To relocate mortgage lender and broker's office from 3141 Fairview Park Drive, Suite 200, Falls Church, VA to 1076 Thomas Jefferson Street, N.W., Washington, DC

BAN19950160 Hatley, Mary Clare
For a mortgage broker's license

BAN19950161 Krepinevich, Daniel C.
To relocate mortgage broker's office from 14120 Parke Long Court, Suite 103, Chantilly, VA to 14100 Sulleyfield Circle, Suite 500, Chantilly, VA

BAN19950162 Lomas Mortgage USA, Inc.
To relocate mortgage lender and broker's office from 3820 Northdale Boulevard, Suite 1148, Tampa, FL to 3820 Northdale Boulevard, Suite 310B, Tampa, FL

BAN19950163 Source One Mortgage Services Corporation
To open a mortgage lender and broker's office at 80 Blue Ravine Road, Suite 100, Folsom, CA

BAN19950164 Primerica Financial Services Home Mortgages, Inc.
To relocate mortgage lender and broker's office from 2730 University Boulevard, #504 Wheaton, MD to 6767 Forest Hill Avenue, Suite 320, Richmond, VA

BAN19950165 MacMillan, Scott M.
To relocate mortgage broker's office from 2730 University Boulevard, Suite 504, Wheaton, MD to 6767 Forest Hill Avenue, Suite 320, Richmond, VA
BAN19950166 Ramsay Mortgage Company of North Carolina, Inc. t/a Old Towne Funding Corp.
For a mortgage lender's license
BAN19950167 Realty Mortgage Corporation
To open a mortgage lender and broker's office
BAN19950168 American General Finance of America, Inc.
To relocate consumer finance office from 7130 Hull Street Road, Chesterfield, VA to 7102 Hull Street Road, Suite D, Chesterfield, VA
BAN19950169 American General Financial of America, Inc.
To relocate consumer finance office from 1931 S. Church Street, Suite 12B, Smithfield, VA to 1915 South Church Street, Smithfield, VA
BAN19950170 Central Money Mortgage Co., Inc.
To relocate mortgage lender and broker's office from 11921 Rockville Pike, Suite 103, Rockville, MD to 8840 Stanford Boulevard, Suite 2200, Columbia, MD
BAN19950171 Chesapeake 1st. Mortgage Corporation
For a mortgage lender's license at 4041 Powder Mill Road, #300
BAN19950172 Wilkinson, William F., III t/a Wilkinson Financial Services
To relocate mortgage broker's office from 6001 Montrose Road, Suite 502, Rockville, MD to #4 Hitching Post Place, Rockville, MD
BAN19950173 Centurion Financial, Ltd.
To open a mortgage broker's office at 11325 Seven Locks Road, Suite 218, Potomac, MD
BAN19950174 Money Organization of Mid-Atlantic, Inc.
To relocate mortgage broker's office from 325 Main Street, Brookneal, VA to Route 2, Box 4, Doctor Merritt Road, Nathalie, VA
BAN19950175 F & M Bank - Winchester
To open a branch at 300 Westminister-Canterbury Drive, Frederick County, VA
BAN19950176 Virginia Commerce Bank
To convert to a state bank
BAN19950177 Innovative Mortgage Corporation
To open a mortgage broker's office at 1501 Santa Rosa Road, Richmond, VA
BAN19950178 Weyerhaeuser Mortgage Company
To relocate mortgage lender and broker's office from 1800 Sutter St., Ste. 790, Concord, CA to 1320 Willow Pass Road, Ste. 480, Concord, CA
BAN19950179 Mortgage Access Corp.
To open mortgage broker offices at several locations
BAN19950180 Accent Mortgage Services, Inc.
To open a mortgage broker's office
BAN19950181 Integrity Mortgage and Finance, Inc.
To open a mortgage broker's office
BAN19950182 NVR Mortgage Finance, Inc.
To relocate mortgage lender's office from 12701 Fair Lakes Circle, Ste. 950, Fairfax, VA to 3998 Fair Ridge Dr., Ste. 260, Fairfax, VA
BAN19950183 Commonwealth Mortgage and Investments, Inc.
For a mortgage broker's license
BAN19950184 Signet Bank/Virginia
To open a bank at 7799 Leesburg Pike, North Tower, Fairfax County, VA
BAN19950185 Signet Bank/Virginia
To establish an EFT at 1675-Y Crystal Square Arcade, Arlington County, VA
BAN19950186 Commercial Credit Corporation
To relocate mortgage lender's office from 14215 M. Centreville Square, Centreville, VA to 5738 Pickwick Road, Centreville, VA
BAN19950187 Cornerstone Mortgage, Inc.
To open a mortgage broker's office at 8000 Towers Crescent Drive, #1350, Vienna, VA
BAN19950188 Washington Suburban Financial Services, Inc.
To open a mortgage lender and broker's office at 6829 Elm Street, Suite 105, McLean, VA
BAN19950189 Vanderbilt Mortgage & Finance, Inc.
For a mortgage lender's license
BAN19950190 Majestic Mortgage Corporation
For a mortgage lender and broker's license
BAN19950191 James River Bankshares, Inc.
To acquire 100 percent of the voting shares of Bank of Suffolk, Suffolk, VA
BAN19950192 Virginia Builders Funding Corporation
To open a mortgage lender and broker's office
BAN19950193 Arnold, James R.
To relocate mortgage broker's office from 14120 Parke-Long Court, #103, Chantilly, VA to 14100 Sullyfield Circle, # 500, Chantilly, VA
BAN19950194 New Pioneer Mortgage, Inc.
To open a mortgage lender and broker's office
BAN19950195 Brown, Johnny F. t/a JF Business, Funding & Finance
To open a mortgage broker's office
BAN19950196 Money Store/DC, The
To open a mortgage lender and broker's office at 3464 El Camino Avenue, Sacramento, CA
BAN19950197 James River Bankshares, Inc.
To acquire 100% of the voting shares of The Bank of Waverly
BAN19950198 Priority Funding Corporation
For a mortgage broker's license

BAN19950199 Mortgage Edge Corporation
To relocate mortgage lender and broker's office from 6862 Elm Street, Suite 350, McLean, VA to 6862 Elm Street, Suite 800, McLean, VA
BAN19950200 CTX Mortgage Company
To open a mortgage lender and broker's office at 3122 Golansky Boulevard, Suite 201, Woodbridge, VA
BAN19950201 1st 2nd Mortgage Company of N.J., Inc.
To open mortgage lender offices at several locations
BAN19950202 Express Funding, Inc.
To open a mortgage lender's office at 10800 Midlothian Turnpike, Suite 145, Richmond, VA
BAN19950203 Harbor Financial Mortgage Corporation
To open a mortgage lender and broker's office at 12150 Monument Drive, Suite 201, Fairfax, VA
BAN19950204 Home Loan Corporation
To open a mortgage lender and broker's office at 11835 Canon Boulevard, #A102, Newport News, VA
BAN19950205 Home Loan Corporation
To open a mortgage lender and broker's office at 202D Packets Court, Williamsburg, VA
BAN19950206 Home Loan Corporation
To open a mortgage lender and broker's office at 7501 Boulders View Drive, Suite 100, Richmond, VA
BAN19950207 Kenwood Associates, Inc.
To relocate mortgage lender and broker's office from 10000 Falls Road, Suite 106, Potomac, MD to 4041 Powder Mill Road, Suite 204, Calverton, MD
BAN19950208 F & M Bank - Winchester
To open a branch at 1855 Senseny Road , Frederick County, VA
BAN19950209 Ford Consumer Finance Company, Inc.
To open a mortgage lender and broker's office at 4905 Koger Boulevard, Suite 200, Greensboro, NC
BAN19950210 American General Finance, Inc.
To open a mortgage lender's office at 325 E. Main Street, Wytheville, VA
BAN19950211 American General Finance of America, Inc.
To open a consumer finance office
BAN19950212 SC Funding Corporation
To relocate mortgage lender and broker's office from 600 Anton Boulevard, 20th Floor, Costa Mesa, CA to 4 Park Plaza, Suite 1200, Irvine, CA
BAN19950213 Thompson, David W.
To relocate mortgage broker's office from 14120 Parke-Long Court, Ste. 103, Chantilly, VA to 14100 Sulleyfield Circle, Ste. 500, Chantilly, VA
BAN19950214 First Virginia Bank
To establish an EFT at Fairfax County Government Center, 12011 Government Center Parkway, Fairfax County, VA
BAN19950215 F & M Bank - Peoples
To open a bank at 760 Warrenton Road, Stafford County, VA
BAN19950216 Independence Financial Mortgage Corporation
To relocate mortgage broker's office from 6849 Old Dominion Drive, Suite 220, McLean, VA to 6862 Elm Street, Suite 820, McLean, VA
BAN19950217 CMK Corporation t/a Mortgage Capital Investors
To open a mortgage lender and broker's office at 5515 Cherokee Avenue, Alexandria, VA
BAN19950218 Security Trust Mortgage Corporation
To open a mortgage broker's office
BAN19950219 Americapital Service Corp.
For a mortgage lender's license at 3867 Roswell Road, Atlanta, GA
BAN19950220 First Greensboro Home Equity, Inc.
To relocate mortgage lender and broker's office from 1500 Pinecroft Road, Suite 200, Greensboro, NC to 4830 Koger Blvd., Greensboro, NC
BAN19950221 Bank of the Commonwealth
For trust authority
BAN19950222 Wilshire Credit Corporation Homes
To do business as a mortgage lender at 1776 southwest Madison St., Suite 300, Portland, OR
BAN19950223 Newport Pacific Mortage Acceptance Corporation
To acquire 100% of SC Funding Corporation
BAN19950224 Glou, Brian D.
To acquire 33.3% ownership of Monument Mortgage Corporation
BAN19950225 Signet Bank/Virginia
To establish an EFT at 1803 West Main Street, Salem, VA
BAN19950226 Harbor Financial Mortgage Corporation
To relocate mortgage lender and broker's office from 225 Reinekers Lane, Suite 755, Alexandria, VA to 8903 Presidential Parkway, Suite 510, Upper Marlboro, MD
BAN19950227 Greenbrier Finance Company t/a Greenbrier Mortgage Corporation
To relocate mortgage lender and broker's office from 6330 Newtown Rd., Ste. 325, Norfolk, VA to #3 The Koger Center, Ste. 211, Norfolk, VA
BAN19950228 Metstar Mortgage Corp.
For a mortgage lender's license
BAN19950229 First Bank of Stuart
To open a bank
BAN19950230 Harbourton Mortgage Co., L.P.
For mortgage lender's licenses at several locations
BAN19950231 Bowers, Nelms & Fonville, Inc.
To open a mortgage broker's office at 2800 Buford Road, Suite 105, Richmond, VA

BAN19950232 Norwest Financial Virginia, Inc.
To relocate consumer finance office from 9321 Midlothian Turnpike, Chesterfield County, VA to 9710 Midlothian Turnpike, Chesterfield County, VA

BAN19950233 First Financial Services, Inc.
For a mortgage broker's license

BAN19950234 Commercial Credit Loans, Inc.
To relocate consumer finance office from 14215-M Centreville Square, Centreville, VA to 5738 Pickwick Road, Centreville, VA

BAN19950235 Allied Mortgage Capital Corporation
To open a mortgage lender and broker's office

BAN19950236 Money Store/D.C., Inc., The
To open a mortgage lender and broker's office at 900 Circle 75 Parkway, Suite 1650, Atlanta, GA

BAN19950237 Money Store/D.C., Inc., The
To open a mortgage lender and broker's office at 1770 Tribute Road, Sacramento, CA

BAN19950238 Pan-American Mortgage Company, Inc.
To relocate mortgage broker's office from 299 Herndon Parkway, #308, Herndon, VA to 12616 Bridoon Lane, Herndon, VA

BAN19950239 Western Freedom Mortgage Corporation
To relocate mortgage lender and broker's office from 4141 South Highland Drive, Salt Lake City, UT to 2363 South Foothill Drive, Salt Lake City, UT

BAN19950240 International Mortgage Funding Group, Inc.
For a mortgage broker's license

BAN19950241 Buckingham Mortgage Corporation
For a mortgage broker's license

BAN19950242 Lyons Group, Inc., The
For a mortgage broker's license

BAN19950243 Main Street Mortgage and Investment Corporation
For a mortgage broker's license

BAN19950244 Mortgage Acceptance Corporation
To relocate mortgage broker's office from 4041 University Drive, Suite 501, Fairfax, VA to 11535 Buttonwood Court, Reston, VA

BAN19950245 Premier Mortgage Corporation
To relocate a mortgage broker's office from 8133 Leesburg Pike, Suite 310, Vienna, VA to 1825 I St., NW, Suite 400, Washington, DC

BAN19950246 First Republic Mortgage Corporation
For mortgage lender and broker's licenses at several locations

BAN19950247 Virginia Credit Union, Inc.
To merge into it Valley Credit Union, Inc., Rilleyville, VA

BAN19950248 First Mortgage Group, Inc.
To relocate mortgage lender and broker's office from 10503-B Braddock Rd.., Fairfax, VA to 11350 Random Hills Rd., Ste. 700, Fairfax, VA

BAN19950249 JHS Mortgage Corporation
To open a mortgage lender and broker's office at 10903 Indian Head Highway, Suite 211B, Fort Washington, MD

BAN19950250 First Home Mortgage Services, Inc.
To relocate mortgage lender and broker's office from 217 North College Drive, Suite B, Franklin, VA to 825 Diligence Drive, Suite 130, Newport News, VA

BAN19950251 United Mortgagee Incorporated
To open a mortgage lender and broker's office at 12820 Old Country Lane, Midlothian, VA

BAN19950252 Ellis Financial Corporation
To relocate mortgage lender and broker's office from 324 South Leadbetter Rd., Ashland, VA to 10487 Washington Hwy., Glen Allen, VA

BAN19950253 Dynamics Financial, Inc.
To open a mortgage lender and broker's office at 7808 Signal Hill Road, Manassas, VA

BAN19950254 Colonial Funding, Inc.
For mortgage broker's license at 3521 Wood Dale Road, Chester, VA

BAN19950255 Rodgers, Ronald G. d/b/a Mortgage Service of Virginia
For a mortgage broker's license

BAN19950256 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To open a consumer finance office

BAN19950257 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To open a consumer finance office

BAN19950258 Beneficial Discount Co. of Virginia
To open an office at 1 Leatherwood Crossing Shopping Center, Martinsville, VA

BAN19950259 Beneficial Mortgage Co. of Virginia
To open a mortgage lender and broker's office at 1 Leatherwood Crossing Shopping Center, Intersection of Highway 58 and State Route Road 57, Suite 5, Martinsville, VA

BAN19950260 Beneficial Virginia Inc.
To open a consumer finance office

BAN19950261 First Bancorp, Inc.
To acquire First Cumberland Bank, Madison, TN

BAN19950262 Priority Mortgage Company, L.L.C.
For a mortgage lender and broker's license at 4375 Fair Lakes Court, Suite 2060, Fairfax, VA

BAN19950263 Edmunds Financial Corporation d/b/a Service First Mortgage
To open a mortgage broker's office at 11890 Sunrise Valley Drive, Reston, VA

BAN19950264 Windsor Mortgage Corporation, The
To relocate mortgage broker's office from 1355 Beverly Road, #100, McLean, VA to 6700 Sorrel Street, McLean, VA

BAN19950265 Richmarr Mortgage Corp.
To relocate mortgage office from 8260 Greensboro Drive, Suite 575, McLean, VA to 8230 Old Courthouse Road, Suite 500, Vienna, VA
BAN19950266 Mortgage Processing, Inc. d/b/a Veterans Federal Mortgage, Inc.
To open a mortgage broker's office
BAN19950267 CENIT Bancorp, Inc.
To acquire Princess Anne Bank, VA Beach, VA
BAN19950268 Preferred Mortgage Group, Inc.
To open a mortgage lender and broker's office at 109 East Burke Street, Martinsburg, WV
BAN19950269 GPT Corporation t/a GPT Mortgage Corporation
To relocate mortgage lender and broker's office from 8300 Arlington Boulevard, Suite E-3, Fairfax, VA to 6400 N. Seven Corner Place, Falls Church, VA
BAN19950270 Collateral Mortgage Ltd.
To open a mortgage lender and broker's office at 1149 Hanover Green Drive, Mechanicsville, VA
BAN19950271 First-Citizens Bank & Trust Company
To open a branch at 540 Main Street, Clifton Forge, VA
BAN19950272 Associates Financial Services of America, Inc.
To relocate mortgage lender's office from 6517 Auburn Drive, VA Beach, VA to 801 Volvo Parkway, Suite 116, Chesapeake, VA
BAN19950273 Associates Financial Services Company of Virginia, Inc.
Tp relocate consumer finance office from 6517 Auburn Drive, VA Beach, VA to 801 Volvo Parkway, Suite 116, Chesapeake, VA
BAN19950274 Beneficial Virginia Inc.
To open a consumer finance office
BAN19950275 Beneficial Discount Co. of Virginia
To open a mortgage lender's office at Olde Towne Marketplace, 5242 Olde Towne Road, Suite 8, Williamsburg, VA
BAN19950276 Beneficial Mortgage Co. of Virginia
To open a mortgage lender's office at Olde Towne Marketplace, 5242 Olde Towne Road, Suite 8, Williamsburg, VA
BAN19950277 Equity One of Virginia, Inc.
To open a mortgage lender and broker's office at 4021 Halifax Road, Suite B, South Boston, VA
BAN19950278 Equity One of Virginia, Inc.
To open a mortgage lender and broker's office at Holiday Shopping Center, Store D-1, Virginia Avenue, Martinsville, VA
BAN19950279 Princess Anne Bank
To open a bank at 905 Kempsville Road, VA Beach, VA
BAN19950280 Princess Anne Bank
To open a bank at 699 Independence Boulevard, VA Beach, VA
BAN19950281 Princess Anne Bank
To open a bank at 1616 Laskin Road, VA Beach, VA
BAN19950282 Premier Financial Corporation
To relocate mortgage lender and broker's office from 5000 Sunnyside Avenue, Suite 301, Beltsville, MD to 10610 Rhode Island Avenue, #204, Beltsville, MD
BAN19950283 Hitchcock, Elizabeth R.
To relocate mortgage broker's office from 9281 Old Keene Mill Road, Springfield, VA to 928 Bragg Road, Fredericksburg, VA
BAN19950284 CAMRAN Corp. t/a CAMCO Mortgage Bankers
To relocate mortgage broker's office from 6540 Arlington Blvd., Falls Church, VA to 8201 Greensboro Dr., Suite 1000, McLean, VA
BAN19950285 United Mortgage Corporation
To relocate mortgage lender and broker's office from 8081 Wolftrap Rd., Suite 110, Vienna, VA to 22071 Sam Fred Rd., Middleburg, VA
BAN19950286 Millennium Mortgage Corporation
To open a mortgage broker's office
BAN19950287 Federal Home Equity, Inc.
To open a mortgage lender and broker's office at 8300 Boone Boulevard, Suite 500, Vienna, VA
BAN19950288 Washington Funding Corporation
To open a mortgage broker's office
BAN19950289 Commerical Credit Loans, Inc.
To relocate consumer finance office from 1264 Smithfield Plaza, Smithfield, VA to Holland Plaza, 1238 Holland Road, Suffolk, VA
BAN19950290 Commercial Credit Corporation
To relocate mortgage lender's office from 1264 Smithfield Plaza, Smithfield, VA to Holland Plaza, 1238 Holland Road, Suffolk, VA
BAN19950291 Majestic Mortgage Corporation
To relocate mortgage lender and broker's office from 3736 Dogwood Ln., SW, Roanoke, VA to 3959 Electric Rd., SW, Ste. 345 Roanoke, VA
BAN19950292 Reverse Mortgage of Virginia, L.C.
For a mortgage lender's license
BAN19950293 Aaron Mortgage Services, Inc.
To open a mortgage broker's office
BAN19950294 Midcoast Mortgage Corporation d/b/a Regency Funding
To relocate mortgage lender and broker's office from 275 Broad Hollow Rd., Melville, NY to 1901 West Cypress Creek Rd., Ft. Lauderdale, FL
BAN19950295 Washington Mortgage Services, Inc.
To relocate mortgage broker's office from 8400 Baltimore Blvd., #206, College Park, MD to 4920 Niagara Road, Suite 100, College Park, MD
BAN19950296 American Mortgage Express, Inc.
For a mortgage lender and broker's license
BAN19950297 ContiMortgage Corporation
To relocate mortgage lender's office from One Lakeside Commons, 990 Hammond Drive, Suite 1010, Atlanta, GA to 1040 Crown Pointe Parkway, Suite 120, Atlanta, GA

BAN19950298 ContiMortgage Corporation
To open a mortgage lender's office at 1420 Kensington Road, Suite 102, Oak Brook, IL
BAN19950299 ContiMortgage Corporation
To open a mortgage lender's office at 3200 E. Camelback Road, Suite 177, Phoenix, AZ
BAN19950300 ContiMortgage Corporation
To open a mortgage lender's office at Signature Center, 4900 Hopyard Road, Suite 282, Pleasanton, CA
BAN19950301 Equity One of Virginia, Inc.
To relocate mortgage lender and broker's office from 10419 Midlothian Turnpike, Richmond, VA to 10443 Midlothian Turnpike, Richmond, VA
BAN19950302 Equity One of Virginia, Inc.
To open a mortgage lender and broker's office at Abington Town Center, 340 Town Center Drive, Abingdon, VA
BAN19950303 Equity One of Virginia, Inc.
To open a mortgage lender and broker's office at 1950B Evelyn Byrd Street, Suite 2, Harrisonburg, VA
BAN19950304 NationsCredit Financial Services Corporation of Virginia
To open a consumer finance office
BAN19950305 American General Finance of America, Inc.
To conduct open-end lending where other business will also be conducted
BAN19950306 American General Finance of America, Inc.
To conduct term life insurance business where other business will also be conducted
BAN19950307 American General Finance of America, Inc.
To conduct sales finance business where other business will also be conducted
BAN19950308 American General Finance of America, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19950309 American General Finance of America, Inc.
To conduct property insurance business where other business will also be conducted
BAN19950310 United Companies Lending Corporation
To relocate mortgage lender's office from 1889 Euclid Avenue Bristol, VA to 509 Cumberland Street, Bristol, VA
BAN19950311 NationsCredit Financial Services Corporation of Virginia
To conduct mortgage lending where other business will also be conducted
BAN19950312 NationsCredit Financial Services Corporation of Virginia
To conduct open-end lending where other business will also be conducted
BAN19950313 NationsCredit Financial Services Corporation of Virginia
To conduct sales finance business where other business will also be conducted
BAN19950314 NationsCredit Financial Services Corporation of Virginia
To conduct property insurance business where other business will also be conducted
BAN19950315 Consumer First Mortgage, Inc.
To open a mortgage lender and broker's office at 1 Columbus Center, VA Beach, VA
BAN19950316 Ramsay Mortgage Company of North Carolina, Inc.
To relocate mortgage broker's office from 201 North Fairfax Street, Alexandria, VA to 100 South Royal Street, Suite 5, Alexandria, VA
BAN19950317 Diversified Funding, Inc.
To open a mortgage broker's office at 7521 Oak Cove Road, Lanexa, VA
BAN19950318 Cardinal Mortgage, Inc.
To relocate mortgage broker's office from 355 West Rio Road, Suite 206B, Charlottesville, VA
BAN19950319 Associates Financial Services of America, Inc.
To open a mortgage lender's office at 101 N. Welch Street, Denton, TX
BAN19950320 Ford Consumer Finance Company, Inc.
To open a mortgage lender and broker's office at 101 N. Welch Street, Denton, TX
BAN19950321 Phoenix Home Mortgage Corp.
For a mortgage broker's license
BAN19950322 Accubanc Mortgage Corporation
To open a mortgage lender and broker's office at 50 Berkshire Court, Suite 209, Wyomissing, PA
BAN19950323 Travelers Express Company, Inc.
Annual money order license renewal
BAN19950324 City Wide Mortgage, Inc.
Revocation of license to do business in Virginia
BAN19950325 Foxhall Mortgage Corporation
Revocation of license to do business in Virginia
BAN19950326 Federal Funding Group, Inc. t/a Federal Mortgage Company
To relocate mortgage lender and broker's office at 8605 Westwood Center Drive, Suite 300, Vienna, VA to 1577 Springhill Road, Suite 204, Vienna, VA
BAN19950327 Pacific Finance Loans, Inc. d/b/a Transamerica Credit Corporation
To relocate mortgage lender's office from 3302 Old Bridge Road, Lake Ridge, VA to 1308 Devils Reach Road, Woodbridge, VA
BAN19950328 Transamerica Financial Services, Inc.
To relocate consumer finance office from 3302 Old Bridge Road, Lake Ridge, Prince William, VA to 1308 Devils Reach Road, Woodbridge, Prince William, VA
BAN19950329 RC Mortgage Source, Inc.
To open a mortgage broker's office
BAN19950330 1st Preference Mortgage Corporation
To open a mortgage lender and broker's office at 8150 Leesburg Pike, Suites 700 and 703, Vienna, VA

BAN19950331 Harbor Financial Mortgage Corporation
To open a mortgage lender and broker's office at 3030 Duke Street, Alexandria, VA
BAN19950332 Hudgins, Philip B.
To relocate mortgage broker's office from 1053 Piney Forest Road, Danville, VA to 1624 Franklin Turnpike, Suite B, Danville, VA
BAN19950333 Primerica Financial Services Home Mortgages, Inc.
To relocate mortgage lender and broker's office from 1053 Piney Forest Rd., Danville, VA to 1624 Franklin Turnpike, Ste. B, Danville, VA
BAN19950334 Primerica Financial Services Home Mortgages, Inc.
To relocate mortgage lender and broker's office from 9281 Old Keene Mill Road, Burke, VA to 928 Bragg Road, Fredericksburg, VA
BAN19950335 New York Bay Remittance Corporation
To open a money order office
BAN19950336 Finance America Corporation of Maryland
To open a mortgage lender's office at 9658 Baltimore Avenue, Suite 400, College Park, MD
BAN19950337 Bankers First Mortgage Co., Inc.
To open a mortgage broker's office
BAN19950338 Beneficial Virginia Inc.
To open a consumer finance office
BAN19950339 Beneficial Virginia Inc.
To conduct sales finance business where other business will also be conducted
BAN19950340 Beneficial Virginia Inc.
To conduct property insurance business where other business will also be conducted
BAN19950341 Beneficial Virginia Inc.
To conduct open-end credit business where other business will also be conducted
BAN19950342 Beneficial Virginia Inc.
To conduct mortgage brokering where other business will also be conducted
BAN19950343 Beneficial Mortgage Co. of Virginia
To open a mortgage lender and broker's office at Dominion Point II, 21525 Ridgetop Circle, Suite 140, Sterling, VA
BAN19950345 Beneficial Discount Co. of Virginia
To open a mortgage lender's office at Dominion Point II, 21525 Ridgetop Circle, Suite 140, Sterling, VA
BAN19950346 Cityscape Corp.
To relocate mortgage lender's office from 8201 Greensboro Dr., Suite 1000, McLean, VA to 11130 Sunrise Valley Dr., Suite 202, Reston, VA
BAN19950347 KFC Mortgage Loans, Inc.
For a mortgage lender's license at U. S. Highway 52 and Airport Highway 123, Bluefield, WV
BAN19950348 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To conduct sales finance business where other business will also be conducted
BAN19950349 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To conduct mortgage lending where other business will also be conducted
BAN19950350 Primerica Financial Services Home Mortgages, Inc.
To relocate mortgage lender and broker's office from 4500 Daly Dr., Suite 200, Chantilly, VA to 4510 Daly Dr., Suite 300, Chantilly, VA
BAN19950351 Beneficial Virginia Inc.
To conduct sales finance business where other business will also be conducted
BAN19950352 Beneficial Virginia Inc.
To conduct open-end lending where other business will also be conducted
BAN19950353 Beneficial Virginia Inc.
To conduct mortgage lending where other business will also be conducted
BAN19950354 Beneficial Virginia Inc.
To conduct property insurance business where other business will also be conducted
BAN19950355 First-Citizens Bank & Trust Company
To open a bank at the northeast corner of U.S. Route 29 and State Route 703, Chatham, VA
BAN19950356 Virginia Co-Operative Mortgage Incorporated
To open a mortgage broker's office
BAN19950357 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To conduct mortgage lending where other business will also be conducted
BAN19950358 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To conduct sale finance business where other business will also be conducted
BAN19950359 First Manassas Mortgage L.C.
To relocate mortgage broker's office from 9151 Quarry Street, Manassas, VA to 9100 Church Street, Suite 103, Manassas, VA
BAN19950360 Excel Funding Corporation
To open a mortgage broker's office
BAN19950361 Dream House Mortgage Corporation
To open a mortgage lender and broker's office
BAN19950362 Peoples Bankshares, Incorporated
To acquire 100 percent of the voting shares of Peoples Bank of Montross
BAN19950363 Community Bank of Northern Virginia
To open a bank at 783 Station Street, Herndon, VA
BAN19950364 First Heritage Mortgage Company
To open a mortgage broker's office
BAN19950365 Great Eastern Mortgage Corporation
To open a mortgage broker's office
BAN19950366 PRO Mortgage Corporation
To open a mortgage broker's office

BAN19950367 First Community Finance, Inc.
To open a consumer finance office
BAN19950368 First Community Finance, Inc.
To conduct sales finance business where other business will also be conducted
BAN19950369 Transouth Mortgage Corporation
To open a mortgage lender's office at 1324 Front Street, Richlands, VA
BAN19950370 TranSouth Financial Corporation
To open a consumer finance office
BAN19950371 Transouth Mortgage Corporation
To open a mortgage lender's office at 142 Kents Ridge Road, Richlands, VA
BAN19950372 TranSouth Financial Corporation
To open a consumer finance office
BAN19950373 TranSouth Financial Corporation
To conduct floorplan lending at several locations where other business will also be conducted
BAN19950374 TranSouth Financial Corporation
To conduct open-end lending at several locations where other business will also be conducted
BAN19950375 TranSouth Financial Corporation
To conduct mortgage lending at several locations where other business will also be conducted
BAN19950376 TranSouth Financial Corporation
To conduct property insurance business at several locations where other business will also be conducted
BAN19950377 Consultant's Mortgage, Inc.
To open a mortgage lender and broker's office
BAN19950378 Primerica Financial Services Home Mortgages, Inc.
To relocate mortgage lender and broker's office from 14120 Parke Long Court, Suite 103, Chantilly, VA to 14100 Sulleyfield Circle, Suite 500, Chantilly, VA
BAN19950379 Columbia National, Incorporated
To open a mortgage lender and broker's office at 457-B Carlisle Drive, Herndon, VA
BAN19950380 Bank of Marion, The
To relocate branch from northwest corner of State Route 90 East and State Route 1100, Rural Retreat, VA to State Route 90 East, 100 yards east of State Route 1100, Rural Retreat, VA
BAN19950381 F & M Bank - Massanutten
To establish an EFT facility at U.S. Route 33 and State Route 644, Rockingham County, VA
BAN19950382 Primerica Financial Services Home Mortgages, Inc.
To open a mortgage lender and broker's office at 2121 Eisenhower Avenue, Suite 202, Alexandria, VA
BAN19950383 Benchmark Community Bank
To open a bank at 1500-1508 W. Virginia Avenue, Crewe, VA
BAN19950384 United Companies Lending Corporation
To relocate mortgage lender's office from 8100 Three Chopt Road, Suite 116, Richmond, VA to 720 Moorefield Park Drive, Suite 100, Richmond, VA
BAN19950385 Potomac Home Mortgage, Corp.
To open a mortgage broker's office
BAN19950386 Beneficial Virginia, Inc.
To conduct property insurance business where other business will also be conducted
BAN19950387 Beneficial Virginia, Inc.
To conduct sales finance business where other business will also be conducted
BAN19950388 Beneficial Virginia, Inc.
To conduct open-end credit business where other business will also be conducted
BAN19950389 Beneficial Virginia, Inc.
To conduct mortgage brokering where other business will also be conducted
BAN19950390 Morgan Home Funding Corporation
For revocation of license to do business in Virginia
BAN19950391 Mortgage Advantage Corporation
For revocation of license to do business in Virginia
BAN19950392 Finteck Inc.
For revocation of license to do business in Virginia
BAN19950393 ABS Financial Services, Inc.
For revocation of license to do business in Virginia
BAN19950394 Ace Mortgage Corporation
For revocation of license to do business in Virginia
BAN19950395 Continental Mortgage Corporation
For revocation of license to do business in Virginia
BAN19950396 Vaden, David t/a Mortgage Aid Financial Services of Virginia
For revocation of license to do business in Virginia
BAN19950397 American Independent Mortgage Inc.
For revocation of license to do business in Virginia
BAN19950398 Mortgage Lending Corporation
For revocation of license to do business in Virginia
BAN19950399 Mortgage One Financial Centers Inc.
For revocation of license to do business in Virginia

BAN19950400 Johng, Terri G.
For revocation of license to do business in Virginia
BAN19950401 Performance Mortgage Company of Coachella Valley
For revocation of license to do business in Virginia
BAN19950402 American General Finance, Inc.
To relocate mortgage lender's office from 703 East Atlantic Street, South Hill,VA to 1167 East Atlantic Street, South Hill, VA
BAN19950403 American General Finance of America, Inc.
To relocate consumer finance office from 703 East Atlantic Street, South Hill, VA to 1167 East Atlantic Street, South Hill, VA
BAN19950404 F & M Bank - Massanutten
To establish an EFT at U.S. Route 33 and State Route 644, McGaheysville, VA
BAN19950405 1st Potomac Mortgage Corporation
To open a mortgage lender and broker's office at 200 Harry S. Truman Parkway, Suite 100, Annapolis, MD
BAN19950406 1st Potomac Mortgage Corporation
To open a mortgage lender and broker's office at 804 Moorefield Park Drive, Suite 302, Richmond, VA
BAN19950407 Byrum, Sandra F.
To relocate mortgage broker's office from 1210 Caroline Street, Winchester, VA to 9 South Braddock Street, Winchester, VA
BAN19950408 Bank of Ferrum
To open a bank at the north side of U.S. Route 220, 0.2 miles south of State Route 697, Franklin County, VA
BAN19950409 Commercial Credit Corporation
To relocate mortgage lender's office from 12917 Jefferson Ave., Richneck Center, Newport News, VA to 12917 Jefferson Ave., Suite E, Newport News, VA
BAN19950410 Commercial Credit Loans, Inc.
To relocate consumer finance office from 12917 Jefferson Avenue, Suite L, Newport News, VA to 12917 Jefferson Avenue, Suite E, Newport News, VA
BAN19950411 Crosstate Mortgage, Inc.
To open mortgage broker's offices at several locations
BAN19950412 Caroline Savings Bank
To open a bank at 18121 Jefferson Davis Highway, Caroline County, VA
BAN19950413 Associates Financial Services of America, Inc.
To open a mortgage lender's office at 243 Neff Avenue, Harrisonburg, VA
BAN19950414 Ace Cash Express, Inc.
To register as a check casher at 7611 G-1 Richmond Highway, Alexandria, VA
BAN19950415 Associates Financial Services Company of Virginia, Inc.
To open a consumer finance office
BAN19950416 Associates Financial Services Company of Virginia, Inc.
To conduct revolving credit business where other business will also be conducted
BAN19950417 Associates Financial Services Company of Virginia, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19950418 Associates Financial Services Company of Virginia Inc.
To conduct sales finance business where other business will also be conducted
BAN19950419 Associates Financial Services Company of Virginia, Inc.
To conduct property insurance business where other business will also be conducted
BAN19950420 United Credit Management, Inc. d/b/a National Credit Counseling Services, Inc.
To establish a non-profit debt counseling agency
BAN19950421 Nationwide Mortgage Services, Inc.
To relocate mortgage broker's office from 14 Pidgeon Hill Rd., Suite 500, Sterling, VA to 950 Herndon Parkway, Suite 120, Herndon, VA
BAN19950422 Hampton Mortgage Corp.
For a mortgage broker's license
BAN19950423 P.W.C. Employees Credit Union
To open a service facility at 9027 Center Street, Manassas, VA
BAN19950424 Southern Atlantic Financial Services, Inc.
For a mortgage lender's license
BAN19950425 Mortgage Service America Co.
To relocate mortgage lender and broker's office from 827 Diligence Drive, Suite 208, Newport News, VA to 827 Diligence Drive, Suite 106, Newport News, VA
BAN19950426 Primerica Financial Services Home Mortgages, Inc.
To open a mortgage lender and broker's office at 11130 Main Street, Suite 206, Fairfax, VA
BAN19950427 Johnson Mortgage Company
To relocate mortgage lender and broker's office from 727 J. Clyde Morris Boulevard, Suite A, Newport News, VA to 740-A Thimble Shoals Boulevard, Newport News, VA
BAN19950428 Primerica Financial Services Home Mortgages, Inc.
To relocate mortgage lender and broker's office from 1210 Caroline Street, Winchester, VA to 9 South Braddock Street, Winchester, VA
BAN19950429 Commercial Credit Corporation
To relocate mortgage office
BAN19950430 Allstate Financial Services Corporation t/a Mortgage Lending
To open a mortgage broker's office
BAN19950431 Providence One, Inc.
To open a mortgage broker's office
BAN19950432 First Virginia Bank-Colonial
To open a bank at 1919 W. Huguenot Road, Chesterfield County, VA

BAN19950433 First Virginia Bank-Colonial
To open a bank at 700 East Franklin Street, Richmond, VA
BAN19950434 First Virginia Bank-Colonial
To open a bank at 1794 Parham Road, Henrico County, VA
BAN19950435 First Virginia Bank-Colonial
To open a bank at 7100 Three Chopt Road, Henrico County, VA
BAN19950436 Business Advisory Systems, Inc. d/b/a Breckinridge Mortgage
To relocate mortgage broker's office from 20 S. Cameron St., Lower Level, Winchester, VA to 20 S. Cameron St., 2nd Fl., Winchester, VA
BAN19950437 United Southern Mortgage Corporation of Roanoke, Inc.
To open a mortgage lender and broker's office at 424 Oakmears Crescent, VA Beach, VA
BAN19950438 Community Mortgage Corporation
To open a mortgage broker's office
BAN19950439 Allstate Funding Corporation
For a mortgage broker's license
BAN19950440 First Community Finance, Inc.
To open a consumer finance office
BAN19950441 Diversified Funding, Inc.
To open a mortgage broker's office at 104 Industry Drive, Suite 225, Tabb, VA
BAN19950442 1st 2nd Mortgage Company of N.J., Inc.
To open a mortgage lender's office at 2820 Dorr Avenue, Suite 211, Fairfax, VA
BAN19950443 Fidelity Mortgage Services, Inc.
To relocate mortgage broker's office from 1401 Rockville Pike, Suite 170, Rockville, MD to 5850 Hubbard Drive, Rockville, MD
BAN19950444 Chesapeake Bank
To establish an EFT facility at Rappahannock General Hospital on the northside of Harris Rd., 0.5 miles S.E., Lancaster, VA
BAN19950445 Mortgage Edge Corporation
To open a mortgage lender and broker's office at 8750 Georgia Avenue, Suite 108, Silver Spring, MD
BAN19950446 First Jefferson Mortgage Corporation
To relocate mortgage lender and broker's office from 1501 Santa Rosa Road, Suite B-6, Richmond, VA to 1504 Santa Rosa Road, Suite 106, Richmond, VA
BAN19950447 Patriot Mortgage Corporation
To open a mortgage broker's office
BAN19950448 Eagle Financial, Incorporated
To register as a check cashier at 8385 Richmond Highway, Alexandria, VA
BAN19950449 America's Funding Group, Inc.
To open a mortgage lender and broker's office at 12355 Sunrise Valley Drive, Suite 690-A, Reston, VA
BAN19950450 Bay Check Cashing, Inc.
To register as a check cashier at 9583 Shore Drive, Norfolk, VA
BAN19950451 F & M Bank - Massanutten
To establish an EFT facility at 701 Port Republic Road, Harrisonburg, VA
BAN19950452 George Mason Bank, The
To open a bank at 5335 Lee Highway, Arlington County, VA
BAN19950453 First Community Finance, Inc.
To conduct sales finance business at 101 A N. Brunswick Ave., South Hill, VA where other business will also be conducted
BAN19950454 First Community Finance, Inc.
To open a consumer finance office
BAN19950455 First Community Finance, Inc.
To open a consumer finance office
BAN19950456 First Community Finance, Inc.
To conduct sales finance business at several locations where other business will also be conducted
BAN19950457 First Jefferson Mortgage Corporation
To open a mortgage office
BAN19950458 Equity One of Virginia, Inc.
To open a mortgage lender and broker's office at 406B West Spotswood Trail, Elkton, VA
BAN19950459 Consumer First Mortgage, Inc.
To relocate office from 5105 Q Backlick Rd., Annandale, VA to The Heritage Center Bldg. II, 7611 Little River Turnpike, Annandale, VA
BAN19950460 Liberty Check Exchange, Inc.
To register as a check casher at 21 E. Broad Street, Richmond, VA
BAN19950461 George Mason Bank, The
To relocate office from George Mason University, Fairfax, VA to George Mason University, 4400 University Drive, Fairfax, VA
BAN19950462 Brokers Commitment Corporation
To open a mortgage lender and broker's office
BAN19950463 Metfund Mortgage Corporation
To relocate mortgage broker's office from 2106 C Gallows Road, Vienna, VA to 7799 Leesburg Pike, Suite 101, South Tysons Corner, VA
BAN19950464 JimBec Enterprises, Inc.
To register as a check casher at 72 Colony Road, Newport News, VA
BAN19950465 Shumway, Scot D. d/b/a Provident Funding Group
To relocate mortgage broker's office from 9126 Roundleaf Way, Gaithersburg, MD to 1555 Wilson Boulevard, Suite 300, Arlington, VA
BAN19950466 Baker Associates, Inc.
To register as a check casher at 412 C Newtown Road, VA Beach, VA

BAN19950467 Integra Group, Inc.
To register as a check casher at 1353 Lee Highway, Bristol, VA
BAN19950468 Financial Exchange Company of Virginia, Inc.
To register as a check casher at 5649 Princess Anne Road, VA Beach, VA
BAN19950469 Burcham, James Kevin
To open a mortgage broker's office
BAN19950470 Advanta Finance Corp.
To open mortgage lender's offices at several locations
BAN19950471 Crestar Bank
To open a bank at 2047 Pleasant Valley Road, Pleasant Valley Marketplace Shopping Center, Winchester, VA
BAN19950472 Mercury Finance Company
To relocate consumer finance office from 8610 Hampton Boulevard, Norfolk, VA to 8401 Hampton Boulevard, Suite 8, Norfolk, VA
BAN19950473 Equity One Mortgage Company
To relocate mortgage broker's office from 3311 Church Road, Suite 227, Richmond, VA to 2912 Hungary Spring Road, Suite 1, Richmond, VA
BAN19950474 Virginia Checkcashers, Inc.
To register as a check casher at 1128 B London Boulevard, Portsmouth, VA
BAN19950475 Hayward, LaNell B.
To register as a check casher at 2546 S. Crater Road, Petersburg, VA
BAN19950476 Beneficial Virginia Inc.
To conduct mortgage lending at several locations where other business will also be conducted
BAN19950477 CMK Corporation t/a Mortgage Capital Investors
To open a mortgage lender and broker's office at 160 Newtown Road, Suite 301, VA Beach, VA
BAN19950478 Mortgage Resources Incorporated
To relocate mortgage broker's office from 8136 Old Keene Mill Road, Suite B-202, Springfield, VA to 7015 Old Keene Mill Road, Suite 201, Springfield, VA
BAN19950479 American General Finance, Inc.
To relocate mortgage lender's office from 329 Southgate Shopping Center, Suite B, Culpeper, VA to 327 Southgate Center, Culpeper, VA
BAN19950480 American General Finance of America, Inc.
To relocate consumer finance office from 329-B Southgate Center, Culpeper, VA to 327 Southgate Center, Culpeper, VA
BAN19950481 Consumer Credit Counseling Service of Virginia, Inc.
To open a debt counseling office at 114 North West Street, Suite 102, Culpeper, VA
BAN19950482 Hopp's, Inc.
To register as a check casher at 4712 N. Southside Plaza, Richmond, VA
BAN19950483 Signet Bank/Virginia
To open an EFT facility at 11 South 12th Street, Richmond, VA
BAN19950484 GMAC Mortgage Corporation of PA
To relocate mortgage lender and broker's office from 64 Reads Way, New Castle Corporate Commons, New Castle, DE to 2243 North Dupont Highway, Dover, DE
BAN19950485 Equity One Consumer Discounty Company, Inc. d/b/a Equity One Consumer Loan
To conduct property insurance business at several locations where other business will also be conducted
BAN19950486 Turner, Ulysses
To register as a check casher at 850-C Church Street, Norfolk, VA
BAN19950487 Commercial Interim Bank
To open a bank
BAN19950488 United Bankshares, Inc.
To acquire First Commercial Bank, Arlington, VA
BAN19950489 United Bankshares, Inc.
To acquire 100% of the voting stock of First Commercial Bank
BAN19950490 First American Mortgage Services, Inc.
To open a mortgage broker's office
BAN19950491 Chesapeake Bank
To open an EFT facility at Williamsburg Pottery Factory, Inc., Building #21, Lightfoot, VA
BAN19950492 Fidelity Mortgage Decisions Corporation
To open a mortgage lender's office
BAN19950493 Fountainhead Mortgage Corporation, The
To relocate mortgage broker's office from 100 Ridgley Avenue, Annapolis, MD to 122 Defense Highway, Suite 200, Annapolis, MD
BAN19950494 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To open a consumer finance office
BAN19950495 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To open a consumer finance office
BAN19950496 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To conduct property insurance business at several locations where other business will also be conducted
BAN19950497 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To conduct mortgage lending at several locations where other business will also be conducted
BAN19950498 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To conduct sales finance business at several locations where other business will also be conducted
BAN19950500 Equity One Consumer Discount Inc. d/b/a Equity One Consumer Loan, Inc.
To conduct sales finance business where other business will also be conducted
BAN19950501 Equity One Consumer Discount Inc. d/b/a Equity One Consumer Loan, Inc.
To conduct mortgage lending where other business will also be located

BAN19950502 First Town Mortgage Corporation
To relocate mortgage lender's office from 11350 Random Hill Road, Suite 120, Fairfax, VA to 8903 Presidential Plaza I, Suite 200, Upper Marlboro, MD

BAN19950503 Nationsfirst Mortgage Corporation
To open a mortgage lender and broker's office at 6160 Kempsville Circle, Suite 221-B, Norfolk, VA

BAN19950504 Mortgage Service of America Co.
To relocate mortgage lender and broker's office from 11320 Random Hills Rd., Suite 250, Fairfax, VA to 9681-D Main St., Fairfax, VA

BAN19950505 J & J Acceptance, Inc.
To open a consumer finance office

BAN19950506 Coastal Federal Mortgage Company
To open a mortgage lender's office

BAN19950507 Primerica Financial Services Home Mortgages, Inc.
To open a mortgage lender and broker's office at 8332 Richmond Highway, Suite 204, Alexandria, VA

BAN19950508 Citizens Mortgage Corporation
To relocate mortgage broker's office from 5615 Fishers Lane, Suite 150, Rockville, MD to 11820 Parklawn Dr.ve, Suite 402, Rockville, MD

BAN19950509 Thomas, James Day
To open a mortgage broker's office

BAN19950510 Mortgage Lenders Association, Inc.
To open a mortgage lender's office

BAN19950511 Security Pacific Financial Services Inc.
To conduct sales finance business where other business will also be conducted

BAN19950512 Security Pacific Financial Services Inc.
To open a consumer finance office

BAN19950513 GE Capital Mortgage Services, Inc.
To open a mortgage lender and broker's office at 77 E. Thomas Road, Suite 210, Bromar Plaza, Phoenix, AZ

BAN19950514 GE Capital Mortgage Services, Inc.
To open a mortgage lender and broker's office at Metro Center Office Park, 475 Kilvert Street, Suite 91, Warwick, RI

BAN19950515 Primerica Financial Services Home Mortgages, Inc.
To open a mortgage lender and broker's office at 115 Route 33 East, Suite 210, West, Louisa, VA

BAN19950516 First Jefferson Mortgage Corporation
To relocate mortgage lender and broker's office from 1504 Santa Rosa Road, Suite 106, Richmond, VA to 500 Libbie Avenue, Suite 2C, Richmond, VA

BAN19950517 First Virginia Bank
To open a bank at 7509 Huntsman Boulevard, Springfield, VA

BAN19950518 Saxon Mortgage, Inc.
To relocate mortgage lender's office from 4101 Cox Road, Suite 100, Glen Allen, VA to 4880 Cox Road, Glen Allen, VA

BAN19950519 Rock Creek Mortgage Corporation
To relocate mortgage broker's office from 6284 Montrose Road, Rockville, MD to 401 Nina Place, Rockville, MD

BAN19950520 North American Mortgage Company
To relocate mortgage lender's office from 9861 Broken Land Parkway, Suite 150, Columbia, MD to 9841 Broken Land Parkway, Suite 105, Columbia, MD

BAN19950521 Mortgage Edge Corporation
To open a mortgage lender and broker's office at 12658-A Lake Ridge Drive, Lake Ridge, VA

BAN19950522 Hill, Margaret E.
To open a mortgage broker's office

BAN19950523 Second Bank & Trust
To open a bank at Market Place Shopping Center at Lake of the Woods, 36081 Goodwin Drive, Locust Grove, VA

BAN19950524 Security Pacific Financial Services Inc.
To conduct mortgage lending where other business will also be conducted

BAN19950525 Security Pacific Financial Services Inc.
To conduct open-end lending business where other business will also be conducted

BAN19950526 Harbourton Mortgage Co., L.P.
To open a mortgage lender's office at 310 El Dorado Drive, Richmond VA

BAN19950527 Harbourton Mortgage Co., L.P.
To open a mortgage lender's office at 7926 Jones Branch Drive, Suite 700, McLean, VA

BAN19950528 Harbourton Mortgage Co., L.P.
To open a mortgage lender's office at 3545 Chainbridge Road, Suite 205, Fairfax, VA

BAN19950529 Columbia National, Incorporated
To open a mortgage lender and broker's office at 7201 Glen Forest Drive, Suite 302, Richmond, VA

BAN19950530 BOMAC Capital Corp.
For mortgage lender's licenses at several locations

BAN19950531 Skeete, Norma
To relocate mortgage broker's office from 4465 Old Branch Avenue, #101, Temple Hills, MD to 6320 Augusta Drive, Suite 1500, Springfield, VA

BAN19950532 Associates Financial Services of America, Inc.
To relocate mortgage lender's office from 909D Glenrock Road, Norfolk, VA to 5772 Churchland Boulevard, Portsmouth, VA

BAN19950533 Associates Financial Services Company of Virginia, Inc.
To relocate consumer finance office from 909-D Glen Rock Road, Norfolk,VA 5772 to Churchland Boulevard, Portsmouth, VA

BAN19950534 Arash, Incorporated
To register as a check casher at 4630 Jefferson Davis Highway, Richmond, VA

BAN19950535 Kadalec, Carene Simon
To open a mortgage broker's office
BAN19950536 MBS Services, Inc.
For a mortgage broker's license
BAN19950537 Chesapeake Mortgage Consultants, Inc.
For mortgage lender and broker's licenses at several locations
BAN19950538 Chesapeake Bank
To open an EFT facility at Williamsburg Pottery Factory, Inc., Building #8, Lightfoot, VA
BAN19950539 Chesapeake Bank
To open an EFT facility at Williamsburg Pottery Factory, Inc., Building #3, Lightfoot, VA
BAN19950540 Chesapeake Bank
To open an EFT facility at Williamsburg Pottery Factory, Inc., Building #6, Lightfoot, VA
BAN19950541 Equity One Mortgage & Investment Company
For a mortgage broker's license
BAN19950542 Walsh, III, William Thomas
For a mortgage broker's license
BAN19950543 Federal Funding Mortgage Corporation
To open a mortgage broker's office at 2045 Valley Avenue, Suite D, Winchester, VA
BAN19950544 Mortgage Edge Corporation
To open a mortgage lender and broker's office at 5335 Wisconsin Avenue, NW, Suite 440, Washington, DC
BAN19950545 Chesapeake 1st Mortgage Corporation
To open a mortgage broker's office at 10306 Eaton Place, Suite 200, Fairfax, VA
BAN19950546 Crosstate Mortgage & Investments, Inc.
To open a mortgage broker's office at 201 Hitching Post Lane, Forest, VA
BAN19950547 Commerce Bank of Virginia
To relocate office from 2958 River Road West, Goochland Courthouse, Goochland County, VA to 3018 River Road West, Goochland Courthouse, Goochland County, VA
BAN19950548 Remodelers National Funding Corp.
For mortgage lender's licenses at several locations
BAN19950549 Virginia League Central Credit Union, Incorporated
To establish a service facility at 2888 VA Beach Boulevard
BAN19950550 Virginia Educators' Credit Union
To establish a service facility at 2888 VA Beach Boulevard
BAN19950551 Signet Bank/Virginia
To merge into it Signet Bank/Maryland, Baltimore, MD
BAN19950552 New Southern, Inc., The
To register as a check casher at 10 E. Campbell Avenue, Roanoke, VA
BAN19950553 Universal Mortgage Corp.
To open a mortgage broker's office
BAN19950554 Southern Financial Bank
To open a bank
BAN19950555 Southern Financial Bank
To acquire 100 percent of the shares of Southern Financial Bancorp., Inc.
BAN19950556 Lyons Group, Inc., The
To relocate mortgage broker's office from 9217 Graceland Place, Fairfax, VA to 407 Victoria Court, NW, Vienna, VA
BAN19950557 Financial Alternatives, Inc.
To open a mortgage broker's office
BAN19950558 Merchantile Bankshares Corporation
To acquire The Sparks State Bank, Sparks, MD
BAN19950559 Hanover Bank
To open a bank at the northeast corner of the intersection of Nuckols Road and Old Nuckols Road, Henrico County, VA
BAN19950560 Bank of Franklin, The
To open a bank at 6617 Holland Road, Suffolk, VA
BAN19950561 First Financial Services, Inc.
To relocate mortgage broker's office from Halesford Center, Suite K, Route 4, Box 80K, Moneta, VA to 17060 Booker T. Washington Highway, Moneta, VA
BAN19950562 Discount Mortgage Corporation
To open a mortgage broker's office
BAN19950563 Carteret Mortgage Corporation
To open a mortgage broker's office
BAN19950564 Pritchard, Donna M.
To relocate mortgage broker's office from 5050 Fort Avenue, Suite B, Lynchburg, VA to Fort Early Building, 11 Oakridge Boulevard, Suite 200, Lynchburg, VA
BAN19950565 Harbor Financial Mortgage Corporation
To open a mortgage lender and broker's office at 208 Golden Oak Court, Reflection III, VA Beach, VA
BAN19950566 Eighth Lucky, Inc.
To register as a check casher at 3338 North Boulevard Street, Richmond, VA
BAN19950567 Fourth Lucky, Inc.
To register as a check casher at 101 East Brookland Park Boulevard, Richmond, VA

BAN19950568 Lucky-Semmes, Inc.
To register as a check casher at 418 Cowardin Avenue, Richmond, VA
BAN19950569 Shamrock Incorporated of Richmond
To register as a check casher at 2001 Mechanicsville Turnpike, Richmond, VA
BAN19950570 Third Lucky, Inc.
To register as a check casher at 1600 Mechanicsville Turnpike, Richmond, VA
BAN19950571 Seventh Lucky, Inc.
To register as a check casher at 13636 Genito Road, Midlothian, VA
BAN19950572 Community Mortgage Corporation
To open a mortgage broker's office at 3516 Plank Road, Fredericksburg, VA
BAN19950573 Phoenix Financial Corporation of Virginia, Inc., The
To relocate mortgage broker's office from 3451 Brandon Ave., Suite 23, Roanoke, VA to 3451 Brandon Ave., Suite 28, Roanoke, VA
BAN19950574 American General Finance, Inc.
To relocate mortgage lender's office from 1252 Holland Road, Suite E, Suffolk,VA to 1238 Holland Road, Suite 104, Suffolk, VA
BAN19950575 American General Finance of America, Inc.
To relocate consumer finance office from 1252 Holland Road, Suite E, Suffolk, VA to 1238 Holland Road, Suite 104, Suffolk, VA
BAN19950576 Nunn, Roy E.
To open a mortgage broker's office at 1007-B West Main Street, Abingdon, Virginia
BAN19950577 Hogston, Larry D.
To relocate mortgage broker's office from 228 1/2 West Main Street, Saltville,VA to 1007B West Main Street, Abingdon, VA
BAN19950578 Primerica Financial Services Home Mortgages, Inc.
To relocate mortgage lender and broker's office from 228 1/2 West Main Street, Saltville, VA to 1007-B West Main Street, Abingdon, VA
BAN19950579 Citizens Bank and Trust Company
To open a branch at the northeast corner of U.S. Route 15 South and Belmont Circle, Farmville, VA
BAN19950580 Knutson Mortgage Corporation
To open a mortgage lender's office
BAN19950581 Community Bank of Northern Virginia
To open a branch at 6809 Old Dominion Drive, McLean, VA
BAN19950582 GMAC Mortgage Corporation of PA
To open a mortgage lender and broker's office at 9681 Main Street, Fairfax, VA
BAN19950583 Peninsula Trust Bank, Incorporated
To open a branch at the southeast corner of the intersection of U.S. Routes 33 and 17, Glenns, VA
BAN19950584 Mortgage Source, Inc.
To open a mortgage broker's office
BAN19950585 American Funding Network, Inc.
To open a mortgage broker's office
BAN19950586 TranSouth Financial Corporation
To open a consumer finance office
BAN19950587 TranSouth Mortgage Corporation
To open a mortgage lender's office at 2025 Plank Road, Fredericksburg, VA
BAN19950588 Cash-a-Check
To register as a check casher at 338 Amaret Street, Fredericksburg, VA
BAN19950589 TranSouth Financial Corporation
To conduct floor plan lending where other business will also be conducted
BAN19950590 TranSouth Financial Corporation
To conduct mortgage lending where other business will also be conducted
BAN19950591 TranSouth Financial Corporation
To conduct property insurance business where other business will also be conducted
BAN19950592 TranSouth Financial Corporation
To conduct open-end lending where other business will also be conducted
BAN19950593 Commercial Credit Corporation
To relocate mortgage lender's office from 770 Lynnhaven Parkway, Suite 105, VA Beach, VA to 3809 Princess Anne Road, Suite 107, VA Beach, VA
BAN19950594 Commercial Credit Loans, Inc.
To relocate consumer finance office from 770 Lynnhaven Parkway, Suite 105, VA Beach, VA to 3809 Princess Anne Road, Suite 107, VA Beach, VA
BAN19950595 Mortgage Access Corp.
To relocate mortgage lender's office from 1700 Diagonal Road, 6th Floor, Alexandria, VA to 4000 Legato Road, Suite 280, Fairfax, VA
BAN19950596 Chesapeake Bank
To open an EFT facility at the southwest corner of Ironbound Road and State Route 5, James City County, VA
BAN19950597 Security Pacific Financial Services, Inc.
To open a consumer finance office
BAN19950598 Security Pacific Financial Services, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19950599 Security Pacific Financial Services, Inc.
To conduct open-end lending where other business will also be conducted
BAN19950600 Security Pacific Financial Services, Inc.
To conduct sales finance business where other business will also be conducted
BAN19950601 Crescent Mortgage Corporation, The
To relocate mortgage lender and broker's office from 7350 Ladysmith Rd., Ladysmith, VA to 11013 James Monroe Hwy., Culpeper, VA

BAN19950602 Hammer, Carrol Dice
To acquire 100% of The Crescent Mortgage Corporation
BAN19950603 1st Preference Mortgage Corp.
To relocate mortgage lender and broker's office from 9423 Belair Road, Baltimore, MD to 9309 Belair Road, Baltimore, MD
BAN19950604 Chesapeake Bank
To open an EFT facility at 1569 George Washington Highway, Gloucester Point, VA
BAN19950605 Funding Group, Inc., The
To open mortgage broker's offices at several locations
BAN19950606 Ford Consumer Finance Company, Inc.
To relocate mortgage lender and broker's office from 300 Carpenter Freeway, Irvine, TX to 8001 Ridgepoint Drive, Irving, TX
BAN19950607 Crestar Bank
To open a bank at 901 Semmes Avenue, Richmond, VA
BAN19950608 Mentor Trust Company
To begin business as a trust company in Virginia
BAN19950609 Metropolitan Mortgage Corporation
To open a mortgage broker's office at 230 N. Washington Street, Suite 200, Rockville, MD
BAN19950610 Metropolitan Mortgage Corporation
To relocate mortgage broker's office from 8230 Boone Blvd., Suite 300, Vienna, VA to 4115 Annandale Rd., Suite 202, Annandale, VA
BAN19950611 Security Pacific Financial Services, Inc.
To relocate consumer finance office from 40 South Loudoun Street, Winchester, VA to 2035 South Pleasant Valley Road, Winchester, VA
BAN19950612 First Town Mortgage Corporation
To open a mortgage lender's office at 10230 New Hampshire Avenue, Suite 350, Silver Spring, MD
BAN19950613 Comnet Mortgage Services, Inc.
For a mortgage lender's license
BAN19950614 Superior Mortgage Corporation
To open a mortgage broker's office
BAN19950615 First American Corporation
To acquire Charter Federal Savings Bank, Bristol, VA
BAN19950616 Capital Seekers, Inc. d/b/a Carolina Mortgage Center
To open a mortgage broker's office
BAN19950617 Middleburg Bank, The
To open a branch at the northeast corner of Harrison Street and Catoctin Circle, Leesburg, VA
BAN19950618 EquiCredit Corporation of Virginia
To open a consumer finance office at 1801 Art Museum Drive, Jacksonville, FL
BAN19950619 First Dominion Mortgage Corporation
To relocate mortgage lender and broker's office from 4304 Evergreen Lane, Suite 103, Annandale, VA to 8027 Leesburg Pike, Suite 700, Vienna, VA
BAN19950620 F & M Bank - Winchester
To open an EFT facility at 251 Front Royal Road, Frederick County, VA
BAN19950621 Sparkman, Mary E. t/a Mortgage Network
To open a mortgage broker's office
BAN19950622 First Greensboro Home Equity, Inc.
To open a mortgage lender and broker's office at 2350 Peters Creek Road, Suite A, Roanoke, VA
BAN19950623 City Mortgage Corporation
To relocate mortgage broker's office from 4029 Ironbound Rd., Suite 200, Williamsburg, VA to 201 N. Fairfax Street, Suite 32, Alexandria, VA
BAN19950624 Family Services of Tidewater, Inc. d/b/a Consumer Credit Counseling Service of Tidewater
To open a debt counseling agency office at 4456 Corporation Lane, Suite 312, VA Beach, VA
BAN19950625 Mortgage Banking Corp.
To open a mortgage lender and broker's office at 780 Pilot House Drive, Suite 300B, Newport News, VA
BAN19950626 Peoples Bank, The
To open a bank at U.S. Route 58, Jonesville, VA
BAN19950627 CMK t/a Mortgage Capital Investors
To open a mortgage lender and broker's office at 732 Thimble Shoals Boulevard, Suite 302-D, Building E, Newport News, VA
BAN19950628 Baltimore American Mortgage Corporation, Inc.
To open mortgage lender and broker's offices at several locations
BAN19950629 Innovative Mortgage Corporation
To relocate mortgage broker's office from 1501 Santa Rosa Rd., Suite C-11, Richmond, VA to 1501 Santa Rosa Rd., Suite A-10, Richmond, VA
BAN19950630 First Greensboro Home Equity, Inc.
To open a mortgage lender and broker's office at 286 Rowe Road, Suite B, Stauton, VA
BAN19950631 Infinity Funding Group, Inc.
To relocate mortgage broker's office from 3409 S. 17th Street, Arlington, VA to 1605 Denham Road, Richmond, VA
BAN19950632 Cardinal Mortgage, Inc.
To relocate mortgage broker's office from 746 Walker Rd., Suite 24A and 26, Great Falls, VA to 750 Walker Rd., Suite B, Great Falls, VA
BAN19950633 Principal Residential Mortgage, Inc.
To open a mortgage lender's office at 699 Walnut Street, Des Moines, IA
BAN19950634 First Republic Mortgage Corporation
To relocate mortgage lender and broker's office from 5711 Allentown Road, Suite 308, Greenbelt, MD to 7500 Greenway Center Drive, Suite 320, Greenbelt, MD

BAN19950635 First Republic Mortgage Corporation
To relocate mortgage lender and broker's office from 12300 Twinbrook Parkway, Suite 370, Rockville, Md to 9210 Corporate Boulevard, Suite 120, Rockville, MD

BAN19950636 First Republic Mortgage Corporation
To relocate mortgage lender and broker's office from 11320 Random Hills Rd., Suite 580, Fairfax, VA to 6084 A Franconia Rd., Alexandria, VA

BAN19950637 Tighe, Charles Lee
To open a mortgage broker's office

BAN19950638 Nationsfirst Mortgage Corporation
To open a mortgage lender and broker's office at 4900 Leesburg Pike, Suite 307, Alexandria, VA

BAN19950639 M/I Financial Corp.
To open mortgage lender's offices at several locations

BAN19950640 TrustMor Mortgage Company
To open a mortgage broker's office

BAN19950641 Green Tree Financial Servicing Corporation
To open mortgage lender's offices at several locations

BAN19950642 Union Bank and Trust Company
To open a branch at 620 Cambridge Street, Suite B, Stafford County, VA

BAN19950643 Advantage Real Estate, L.L.C.
To open a mortgage lender and broker's office

BAN19950644 Senko Financial Services, Inc.
For a mortgage broker's license

BAN19950645 TranSouth Financial Corporation
To conduct other business at three locations

BAN19950646 NationsBank Corporation
To acquire Intercontinental Bank, Miami, FL

BAN19950647 Equity One of Virginia, Inc.
To open a mortgage lender and broker's at office Tightsqueeze Plaza Shopping Center, Route 29, Chatham, VA

BAN19950648 Allied Funding Corp.
To open a mortgage broker's office

BAN19950649 F & M Bank-Winchester
To open an EFT facility at Lansdowne Conference Center, 44050 Woodbridge Parkway, Leesburg, VA

BAN19950650 Mortgage Edge Corporation
To open a mortgage lender and broker's office at 4465 Old Branch Avenue, Suite 102, Temple Hills, MD

BAN19950651 Chesapeake Mortgage Corporation
To relocate mortgage broker's office from 4041 Powder Mill Road, #300, Calverton, MD to 15009 Athey Road, Burtonsville, MD

BAN19950652 Speakman, Ronald D.
To acquire Mortgage and Equity Funding Corporation

BAN19950653 Pa-Pa Check Cashing
To register as a check casher at 1034 N. Washington Street, Petersburg, VA

BAN19950654 Executive Mortgage Bankers Ltd.
To open a mortgage lender's office

BAN19950655 Capital One Bank
To open a bank at 6-8 Old Bond Street, London, England

BAN19950656 Capstead, Inc.
For a mortgage broker's license

BAN19950657 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To open a consumer finance office

BAN19950658 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To conduct sales finance business where other business will also be conducted

BAN19950659 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To conduct mortgage lending where other business will also be conducted

BAN19950660 Equity One Consumer Discount Company, Inc. d/b/a Equity One Consumer Loan
To conduct property insurance business where other business will also be conducted

BAN19950661 Eagle Funding Group, Ltd.
To relocate mortgage broker's office 10615 Judicial Drive, Suite 501, Fairfax, VA to 11130 Main Street, Suite 100, Fairfax, VA

BAN19950662 George Mason Bank, The
To open a bank at 2300 Ninth Street, South, Arlington County, VA

BAN19950663 South Boston Bank
To relocate main office

BAN19950664 Excel Mortgage Services, L.L.C.
To relocate mortgage broker's office from 495 Foxridge Drive, SW, Leesburg, VA to 497 Foxridge Drive, SW, Leesburg, VA

BAN19950665 Mercury Finance Company of Virginia
To relocate consumer finance office from 9550 Midlothian Tpke., Chesterfield, VA to 9321 Midlothian Tpke., Ste. J, Chesterfield, VA

BAN19950666 Crestar Financial Corporation
To acquire Loyola Capital Corporation

BAN19950667 Signet Bank/Virginia
To open an EFT facility at Simmons Auto/Truck Terminal, I-85 and State Route 903, Bracey, VA

BAN19950668 A & B Enterprises of Southwestern Virginia, Inc.
For a mortgage broker's license

BAN19950669 Community Development Group, Inc. of Delaware t/a Community Mortgage Company
To relocate mortgage broker's office from 7360 McWhorter Place, Suite 201, Annandale, VA to 7023 Little River Turnpike, Suite 300, Annandale, VA
BAN19950670 Consumer Credit Counseling Service of Southwestern Virginia, Inc.
To open a debt counseling office at 209-211 Roanoke Street, Suite 2, Christiansburg, VA
BAN19950671 Regency Mortgage, L.L.C.
For a mortgage broker's license
BAN19950672 Askew, Neal Anthony
For a mortgage broker's license
BAN19950673 Nova Mortgage Credit Corporation
To open a mortgage lender's office
BAN19950674 Molton, Allen & Williams Corporation
For a mortgage lender's license
BAN19950675 Bank of Tazewell County
To merge into it NBI Interim Bank
BAN19950676 Primerica Financial Services Home Mortgages, Inc.
To open a mortgage lender and broker's office at 2401 Research Boulevard, Suite 210, Rockville, MD
BAN19950677 Primerica Financial Services Home Mortgages, Inc.
To relocate mortgage lender and broker's office from 4465 Old Branch Avenue, Suite 101, Temple Hills, MD to 6320 Augusta Drive, Suite 1500, Springfield, VA
BAN19950678 StateStreet Mortgage Corporation
To open a mortgage lender and broker's office
BAN19950679 Wilshire Credit Corporation
For a mortgage broker's license
BAN19950680 Business Advisory Systems, Inc. d/b/a Breckinridge Mortgage
To open a mortgage broker's office at 824 John Marshall Highway, Suite 205, Front Royal, VA
BAN19950681 Center for Child & Family Services, Inc. d/b/a Consumer Credit Counseling Service of Hampton Roads
To open a debt counseling office at 2021 Cunningham Drive, Suite 400, Hampton, VA
BAN19950682 Lomas Mortgage USA, Inc.
To open a mortgage lender and broker's office at 8600 Harry Hines Boulevard, Dallas, TX
BAN19950683 Block Mortgage Company, L.L.C.
For a mortgage lender's license
BAN19950684 Providence One, Inc.
To relocate mortgage broker's office from 338 West Olney Road, Norfolk, VA to 317 Office Square Lane, Suite 201B, VA Beach, VA
BAN19950685 Citizens and Farmers Bank
To open an EFT facility at the Food Lion Store, Route 17 Bypass, Saluda, VA
BAN19950686 Citizens and Farmers Bank
To open an EFT facility at the Food Lion Store, 100 Winter Street, West Point, VA
BAN19950687 Miners Exchange Bank
To open a branch at the northeast corner of the intersection of Depot Street and Main Street, Appalachia, VA
BAN19950688 Valley Acceptance Corporation
For a mortgage broker's license
BAN19950689 BMIC Mortgage, Inc.
To open a mortgage broker's office
BAN19950690 Loan Company, The
For a mortgage broker's license
BAN19950691 Independent National Mortgage Corporation d/b/a Independent National Finance Corporation
For a mortgage lender's license
BAN19950692 Heltzel Mortgage Corporation
To relocate mortgage lender and broker's office from 810 S. Main St., Culpeper, VA to 763 Madison Rd., Suite 206-1/2, Culpeper, VA
BAN19950693 Associates Financial Services Company of Virginia, Inc.
To open a consumer finance office
BAN19950694 Associates Financial Services Company of Virginia, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19950695 Associates Financial Services Company of Virginia, Inc.
To condudt revolving credit business where other business will also be conducted
BAN19950696 Associates Financial Services Company of Virginia, Inc.
To conduct sales finance business where other business will also be conducted
BAN19950697 Associates Financial Services Company of Virginia, Inc.
To conduct property insurance business where other business will also be conducted
BAN19950698 Associates Financial Services of America, Inc.
To open a mortgage lender's office at 6330 Springfield Plaza, Springfield, VA
BAN19950699 American Credit Counselors
To open a debt counseling agency at 308 Second St., SW Roanoke, VA
BAN19950700 NVR Mortgage Finance, Inc.
To open a mortgage lender's office at 111 Ryan Court, Pittsburg, PA
BAN19950701 Metro Financial, Inc.
For a mortgage broker's license
BAN19950702 U.S. Veterans Mortgage Corporation
To open a mortgage broker's office

BAN19950703 Virginia Community Bank
To open a bank at 701 South Main Street, Culpeper, VA
BAN19950704 Members First Credit Union
To open a credit union at Route 612, Verona, VA
BAN19950705 Regional Investment Co. d/b/a RIC Mortgage Company
To open a mortgage lender's office
BAN19950706 First Virginia Bank-Colonial
To merge into it First Virginia Bank-Southside
BAN19950707 Commercial Credit Loans, Inc.
To relocate consumer finance office from 7862 Tidewater Drive, Suite 3, Norfolk, VA to 7525 Tidewater Drive, Suite 30, Norfolk, VA
BAN19950708 Commercial Credit Corporation
To relocate mortgage lender's office from 7862 Tidewater Drive, Suite 3, Norfolk, VA to 7525 Tidewater Drive, Suite 30, Norfolk, VA
BAN19950709 1st American Financial Services, Inc.
To open a mortgage lender and broker's office at 9315 Center Street, Suite 104, Manassas, VA
BAN19950710 Southeast Mortgage Banking Corp.
To open a mortgage lender and broker's office at 2601 West Avenue, Suite 1, Newport News, VA
BAN19950711 1st Professional Mortgage, Inc.
To open mortgage lending offices in two locations
BAN19950712 Diversified Mortgage Brokers, Inc.
For a mortgage broker's license
BAN19950713 Bank of Essex
To open a bank at 1681 Main Street, West Point, VA
BAN19950714 Nationwide Mortgage Group, Inc.
To relocate mortgage broker's office from 10777 Main Street, Suite 200, Fairfax, VA to 10615 Judicial Drive, Suite 603, Fairfax, VA
BAN19950715 Columbia National, Incorporated
To open a mortgage lender and broker's office at 10613 Courthouse Road, Fredericksburg, VA
BAN19950716 American General Finance, Inc.
To open a mortgage lender's office at Unit 3835 Kecoughtan Road, Hampton, VA
BAN19950717 American General Finance of America, Inc.
To open a consumer finance office
BAN19950718 Harbor Bank
To open a bank
BAN19950719 American General Finance of America, Inc.
To conduct open-end lending where other business will also be conducted
BAN19950720 American General Finance of America, Inc.
To conduct non-credit related term life insurance business where other business will also be conducted
BAN19950721 American General Finance of America, Inc.
To conduct property insurance business where other business will also be conducted
BAN19950722 American General Finance of America, Inc.
To conduct sales finance business where other business will also be conducted
BAN19950723 American General Finance of America, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19950724 United Companies Lending Corporation
To open a mortgage lender's office at 2044 India Road, Suite 201, Charlottesville, VA
BAN19950725 Primerica Financial Services Home Mortgages, Inc.
To open a mortgage lender and broker's office at 7734 Williamson Road, Roanoke, VA
BAN19950726 Daedone, Nancy
For a mortgage broker's license
BAN19950727 NationsCredit Financial Services Corporation of Virginia
To open a consumer finance office
BAN19950728 Martelino, Millie A. t/a Global Mortgage Resources
To open a mortgage broker's office
BAN19950729 American Mortgage Bankers, Inc.
To relocate mortgage broker's office from 4650 East West Highway, Suite 250, Bethesda, MD to 4915 St. Elmo Avenue, Bethesda, MD
BAN19950730 White Financial Ventures, Inc. d/b/a Action Mortgage
For mortgage broker's licenses at several locations
BAN19950731 Miners Exchange Bank
To open a bank at 201 Laurel Avenue, Coeburn, VA
BAN19950732 Staton Mortgage Corp.
For a mortgage broker's license at 1869 Brightseat Rd., Landover, MD
BAN19950733 Landmark Financial & Accounting Associates
To open a mortgage broker's office
BAN19950734 Midcoast Mortgage Corporation d/b/a Regency Funding
To open a mortgage lender and broker's office at 8221 Old Courthouse Road, Suite 105, Vienna, VA and 8180 Greensboro Drive, Suite 1175, McLean, VA
BAN19950735 AVCO Mortgage and Acceptance, Inc.
To relocate mortgage lender's office from 3014 VA Beach Blvd., VA Beach, VA to 4000 VA Beach Blvd., Suite 132, VA Beach, VA
BAN19950736 AVCO Financial Services of Madison Heights, Inc.
To relocate consumer finance office from 3014 VA Beach Blvd., VA Beach, VA to 4000 VA Beach Blvd., Suite 132, VA Beach, VA

BAN19950738 Navy Yard Credit Union, Incorporated, The
To open a service facility at 998 J. Clyde Morris Boulevard, Newport News, VA
BAN19950739 Navy Yard Credit Union, Incorporated, The
To open a service facility at 677 Battlefield Boulevard, Chesapeake, VA
BAN19950740 Navy Yard Credit Union, Incorporated, The
To open a service facility at 2888 VA Beach Boulevard, VA Beach, VA
BAN19950741 Tidewater Telephone Employees Credit Union, Incorporated
To open a service facility at 2888 VA Beach Boulevard, VA Beach, VA
BAN19950742 Prime Care Credit Union, Incorporated
To open a service facility at 2888 VA Beach Boulevard, VA Beach, VA
BAN19950743 Home Mortgage Center, Inc.
To open a mortgage lender and broker's office at 7918 Jones Branch Drive, Suite 600, McLean, VA
BAN19950744 New Pioneer Mortgage, Inc.
To open a mortgage lender and broker's office at 740-A Thimble Shoals Boulevard, Newport News, VA
BAN19950745 First Bancorp Mortgage Corporation
To open a mortgage lender and broker's office at 3200 Ironbound Road, Williamsburg, VA
BAN19950746 Advantage Mortgage Company, L.L.C.
For a mortgage lender and broker's license
BAN19950747 HomeOwners Mortgage & Equity, Inc.
For a mortgage lender's license at 6836 Austin Center Blvd., Suite 280, Austin, TX
BAN19950748 Mortgage Center of America, Inc.
To open mortgage broker's offices at several locations
BAN19950749 East End Checkcashing Inc.
To register as a check casher at 3309 Jefferson Avenue, Newport News, VA
BAN19950750 Pimienta, Hugo E.
To acquire AccuBanc Mortgage Corporation
BAN19950751 National Consumer Services Corp., L.L.C.
For a mortgage lender and broker's license
BAN19950752 Mortgage Bankers of Virginia, Inc.
For a mortgage broker's license
BAN19950753 NationsCredit Financial Services Corporation of Virginia
To conduct property insurance business where other business will also be conducted
BAN19950754 NationsCredit Financial Services Corporation of Virginia
To conduct sales finance business where other business will also be conducted
BAN19950755 NationsCredit Financial Services Corporation of Virginia
To conduct open-end lending where other business will also be conducted
BAN19950756 NationsCredit Financial Services Corporation of Virginia
To conduct mortgage lending where other business will also be conducted
BAN19950757 H. C. Financial, Inc. d/b/a Premium Home Financing
To open a mortgage broker's office
BAN19950758 First Virginia Bank - Commonwealth
To open a bank at Patrick Henry Mall, Newport News, VA
BAN19950759 First Discount Mortgage, Inc.
For a mortgage broker's license
BAN19950760 Colonial Mortgage Group, L.L.C.
For a mortgage lender and broker's license at 4520 East-West Highway, Suite 105, Bethesda, MD
BAN19950761 Ace American Mortgage, Inc.
For a mortgage broker's license
BAN19950762 Frank T. Yoder Mortgage, Inc.
To open mortgage broker's offices at several locations
BAN19950763 First-Citizens Bank & Trust Company, Raleigh, NC
To merge into it First-Citizens Bank & Trust
BAN19950764 Bank of Clarke County
To open a bank at 382 Fairfax Pike, Stephens City, VA
BAN19950765 Saxon Mortgage, Inc. d/b/a Saxon Financial
To open a consumer finance office at 4880 Cox Road, Glen Allen, VA
BAN19950766 Universal Funding, Inc.
For a mortgage broker's license
BAN19950767 United Financial Mortgage Corp. of Virginia
For a mortgage lender's license at 600 Enterprise Drive, Oak Brooke, IL
BAN19950768 Highland Bankshares, Inc.
To acquire 100% of the voting stock of Highland Unions Bank
BAN19950769 Ford Consumer Finance Company, Inc.
To open a mortgage lender and broker's office at 200 Chauncy Street, Mansfield, MA
BAN19950770 American Bankers Mortgage Corporation
To open a mortgage broker's office at 10809-200 Hampton Mill Terrace, Rockville, MD
BAN19950771 Mortgage and Equity Funding Corporation
To open a mortgage broker's office at 162 West Davis Street, Culpeper, VA
BAN19950772 Primerica Financial Services Home Mortgages, Inc.
To open a mortgage lender and broker's office at 120 East Grayson Street, Galax, VA

BAN19950773 Virginia Commerce Bank
To open a bank at 6500 Williamsburg Boulevard, Arlington County, VA
BAN19950774 Miners and Merchants Bank and Trust Company
To open a bank at U.S. Route 460, 0.2 miles east of its intersection with State Route 624, Oakwood, VA
BAN19950775 First-Citizens Bank & Trust Company
To acquire branches from First Union National Bank of VA, 231 East Church Street, Martinsville, VA
BAN19950776 First-Citizens Bank & Trust Company
To acquire branches from First Union National Bank of VA, 115 Virginia Avenue, Collinsville, VA
BAN19950777 First Union Corporation
To acquire First Fidelity Bancorporation, Newark, NJ
BAN19950778 FSC Corporation
To relocate mortgage broker's office from 401 E. Pratt Street, Suite 1225, Baltimore, MD to 401 E. Pratt Street, Suite 332, Baltimore, MD
BAN19950779 Coastal Mortgage Corporation
To relocate mortgage broker's office from 10615 Judicial Drive, #603, Fairfax, VA to 10615 Judicial Drive, Suite 702, Fairfax, VA
BAN19950780 Atlantic International Mortgage, Inc.
To relocate mortgage broker's office from 8401 Corporate Dr., Suite 400, Landover, MD to 4716 Pontiac St., Suite 200, College Park, MD
BAN19950781 Capitol Mortgage Bankers, Inc.
To open a mortgage lender and broker's office at 8334 Veterans Highway, Suite 1, Millersville, MD
BAN19950782 Crestar Bank
To open a bank at Wal-mart Supercenter, 801 James Madison Highway, Culpeper, VA
BAN19950783 Continental Mortgage Bankers, Inc. d/b/a Financial Equities
To open a mortgage lender's office
BAN19950784 Express Mortgage, Inc.
For a mortgage broker's license
BAN19950785 Exceptional Dental Services, Inc.
To open a consumer finance office
BAN19950786 Green Tree Financial Servicing Corporation
To open a consumer finance office
BAN19950787 Residential Mortgage Corp.
For a mortgage lender's license
BAN19950788 Smith/Vames Community Mortgage, L.C.
For a mortgage broker's license
BAN19950789 Federal Funding Mortgage Corporation
To open a mortgage lender's office
BAN19950790 Mortgage Servicing Acquisition Corporation
To open a mortgage lender and broker's office
BAN19950791 First Community Finance, Inc.
To conduct property insurance business at several locations where other business will also be conducted
BAN19950792 Commercial Credit Corporation
To relocate mortgage lender's office from 2040 Electric Road, SW, Roanoke, VA to 2050 Electric Road, SW, Suite 60, Roanoke, VA
BAN19950793 Commercial Credit Loans, Inc.
To relocate consumer finance office from 2040 Electric Road, SW, Roanoke, VA to 2050 Electric Road, SW, Suite 60, Roanoke, VA
BAN19950794 Centerbank Mortgage Company
For a mortgage lender's license at One Jefferson Square, Waterbury, CT
BAN19950795 Triangle Funding Corporation
To open a mortgage broker's office
BAN19950796 Crestar Bank
To open an EFT facility at Sentara Hampton General Hospital, 3120 Victoria Boulevard, Hampton, VA
BAN19950797 Crestar Bank
To open an EFT facility at U.S. Highway 11 North, Rockbridge County, VA
BAN19950798 Crestar Bank
To open an EFT facility at 7910 Richmond Highway, Fairfax County, VA
BAN19950799 Crestar Bank
To open an EFT facility at 5800 Kingstowne Boulevard, Franconia, VA
BAN19950800 Crestar Bank
To open an EFT facility at 14050 Worth Avenue, Prince William County, VA
BAN19950801 Crestar Bank
To open an EFT facility at 1455 Town Square Boulevard, Roanoke, VA
BAN19950802 Crestar Bank
To open an EFT facility at 217 Garrisonville Road, Stafford County, VA
BAN19950803 Crestar Bank
To open an EFT facility at 14000 Worth Avenue, Prince William County, VA
BAN19950804 Crestar Bank
To open an EFT facility at 3551 Halifax Road, Halifax County, VA
BAN19950805 Crestar Bank
To open an EFT facility at 1660 Tappahannock Boulevard, Tappahannock, VA
BAN19950806 Crestar Bank
To open an EFT facility at 3912 Wards Road, Lynchburg, VA
BAN19950807 Crestar Bank
To open an EFT facility at 4210 Franklin Road, Roanoke, VA

BAN19950808 Crestar Bank
To open an EFT facility at 3900 Wards Road, Lynchburg, VA
BAN19950809 Crestar Bank
To open an EFT facility at 950 Edwards Ferry Road, NE, Leesburg, VA
BAN19950810 Crestar Bank
To open an EFT facility at 7412 Stream Walk Lane, Prince William County, VA
BAN19950811 Crestar Bank
To open an EFT facility at 970 Hilton Heights Road, Albemarle County, VA
BAN19950812 Crestar Bank
To open an EFT facility at 735 Southpark Boulevard, Colonial Heights, VA
BAN19950813 Crestar Bank
To open an EFT facility at 975 Hilton Heights Road, Albemarle County, VA
BAN19950814 Crestar Bank
To open an EFT facility at George Washington Memorial Highway, Gloucester County, VA
BAN19950815 Crestar Bank
To open an EFT facility at 1955 East Market Street, Harrisonburg, VA
BAN19950816 Crestar Bank
To open an EFT facility at 3700 Plank Road, Spotsylvania County, VA
BAN19950817 Crestar Bank
To open an EFT facility at 13509 Fair Lakes Boulevard, Fairfax County, VA
BAN19950818 Crestar Bank
To open an EFT facility at 45131 Columbia Place, Sterling, VA
BAN19950819 Crestar Bank
To open an EFT facility at 1413 East Main Street, Bedford County, VA
BAN19950820 Crestar Bank
To open an EFT facility at 1851 West Main Street, Salem, VA
BAN19950821 Virginia Heartland Bank
To open a branch at 12115 Andora Drive, Spotsylvania County, VA
BAN19950822 Centurion Financial, Ltd.
To open a mortgage broker's office at 11350 Random Hills Road, Suite 300, Fairfax, VA
BAN19950823 Chesapeake Bank
To open a bank at 4492 John Tyler Highway, James City County, VA
BAN19950824 American Funding & Investment Corporation
To relocate mortgage broker's office from 8206 Leesburg Pike, Suite 201, Vienna, VA to 1880 Howard Avenue, Suite 303, Vienna, VA
BAN19950825 Consumer Credit Counseling Service of Southwestern Virginia, Inc.
To open a non-profit counseling office at 4207 Wards Road, Lynchburg, VA
BAN19950826 Mortgage Access Corp.
To open a mortgage lender's office at 2 Cardinal Park Drive, Suite 101C, Leesburg, VA
BAN19950827 Mortgage Access Corp.
To open a mortgage lender's office at 1700 Diagonal Road, Alexandria, VA
BAN19950828 Mortgage Access Corp.
To open a mortgage lender's office at 5955 Centreville Crest Lane, Centreville, VA
BAN19950829 Mortgage Access Corp.
To open a mortgage lender's office at 4025 Fair Ridge Drive, Fairfax, VA
BAN19950830 Mortgage Access Corp.
To open a mortgage lender's office at 1834 Old Bridge Road, Woodbridge, VA
BAN19950831 Mortgage Access Corp.
To open a mortgage lender's office at 1612 Belleview Boulevard, Alexandria, VA
BAN19950832 Mortgage Access Corp.
To open a mortgage lender's office at 6715 Little River Turnpike, Suite 200, Annandale, VA
BAN19950833 Mortgage Access Corp.
To open a mortgage lender's office at 1121 North Glebe Road, Arlington, VA
BAN19950834 Mortgage Access Corp.
To open a mortgage lender's office at 2960 Chain Bridge Road, Oakton, VA
BAN19950835 Mortgage Access Corp.
To open a mortgage lender's office at 1760 Reston Parkway, Suite 111, Reston, VA
BAN19950836 Mortgage Access Corp.
To open a mortgage lender's office at 13079 Worldgate Drive, Herndon, VA
BAN19950837 Mortgage Access Corp.
To open a mortgage lender's office at 8301 Richmond Highway, Alexandria, VA
BAN19950838 Mortgage Access Corp.
To open a mortgage lender's office at 7900 Sudley Road, Manassas, VA
BAN19950839 Mortgage Access Corp.
To open a mortgage lender's office at 67 West Lee Highway, Warrenton, VA
BAN19950840 Mortgage Access Corp.
To open a mortgage lender's office at 824 John Marshall Highway, Front Royal, VA
BAN19950841 Mortgage Access Corp.
To open a mortgage lender's office at 2 Pidgeon Hill Drive, Suite 100, Sterling, VA
BAN19950842 Mortgage Access Corp.
To open a mortgage lender's office at 9299 Old Keene Mill Road, Burke, VA

BAN19950843 Mortgage Access Corp.
To open a mortgage lender's office at 313 Maple Avenue, West, Vienna, VA
BAN19950844 Mortgage Access Corp.
To open a mortgage lender's office at 8401 Old Courthouse Road, Vienna, VA
BAN19950845 Signet Bank
To relocate office from 2000 Linden Avenue, Baltimore, MD to 790 W. North Avenue, Baltimore, MD
BAN19950846 First Colonial Mortgage of NJ, Inc.
For a mortgage lender's license
BAN19950847 Breckner's Run & Assoc., Inc.
To open a mortgage broker's office
BAN19950848 Respess, James W.
To open a mortgage broker's office
BAN19950849 MacMillan, Scott M.
To relocate mortgage broker's office from 6767 Forest Hill Ave., Ste. 320, Richmond, VA 300 Arboretum Place, Ste. 330, Richmond, VA
BAN19950850 Khan, Parvez Ahmed
To be licensed as a money order seller at 221 N. Wayne Street, Unit 6, Arlington, VA
BAN19950851 First Greensboro Home Equity, Inc.
To open a mortgage lender and broker's at office 100 Volvo Parkway, Suite 220, Chesapeake, VA
BAN19950852 Roop, Kevin Todd
To open a mortgage broker's office
BAN19950853 Shelter Mortgage Company Partnership No. 35
For a mortgage lender's license at 1717 Elton Road, Suite 221, Silver Spring, MD
BAN19950854 Shelter Mortgage Company Partnership No. 21
For a mortgage lender's license at 4099 Foxwood Drive, Suite 205, VA Beach, VA
BAN19950855 Shelter Mortgage Company Partnership No. 16
For a mortgage lender's license at 4099 Foxwood Drive, Suite 205, VA Beach, VA
BAN19950856 First Home Mortgage of Virginia, Inc.
To open a mortgage lender and broker's office at 220 Middle Street, Franklin, VA
BAN19950857 James River Bankshares, Inc.
To acquire 100% of the voting shares of Bank of Isle of Wight
BAN19950858 Granite Mortgage Corporation, Inc. t/a Granite Mortgage Corp.
To open a mortgage broker's office at 15200 Shady Grove Road, Suite 350, Rockville, MD
BAN19950859 BIW Acquisition Bank
To open a bank at 1803 South Church Street, Smithfield, VA
BAN19950860 Bank of Isle of Wight
To merge into it BIW Acquisition Bank
BAN19950861 James River Bankshares, Inc.
To acquire First Colonial Bank, F.S.B.
BAN19950862 Victory Mortgage Inc.
To open a mortgage broker's office
BAN19950863 F & M Bank - Peoples
To open an EFT facility at the northwest corner of the intersection of Interstate 95 and U.S. Route 17, Stafford County,VA
BAN19950864 F & M Bank - Winchester
To open an EFT facility at the Loudoun County Government Complex, One Harrison Street, SE, Leesburg, VA
BAN19950865 American Finance & Investment, Inc.
To relocate mortgage broker's office from 3609-E Chain Bridge Road, Fairfax,VA to 10306 Eaton Place, Suite 220, Fairfax, VA
BAN19950866 Federal Home Funding Corporation
For a mortgage broker's license
BAN19950867 Preferred Credit, Inc.
To open a mortgage broker's office
BAN19950868 First Midland Mortgage Company, L.L.C.
To open a mortgage broker's office
BAN19950869 Family Finance Corporation
To open a consumer finance office
BAN19950870 Beneficial Virginia, Inc.
To open a consumer finance office
BAN19950871 Beneficial Virginia, Inc.
To conduct property insurance business where other business will also be conducted
BAN19950872 Beneficial Virginia, Inc.
To conduct mortgage lending where other business will also be conducted
BAN19950873 Beneficial Virginia, Inc.
To conduct mortgage brokering where other business will also be conducted
BAN19950874 Beneficial Virginia, Inc.
To conduct open-end credit business where other business will also be conducted
BAN19950875 Beneficial Virginia, Inc.
To conduct sales finance business where other business will also be conducted
BAN19950876 Beneficial Mortgage Co. of Virginia
To open a mortgage lender and broker's office at Front Royal Business Park, 470-C, Front Royal, VA
BAN19950877 Beneficial Discount Co. of Virginia
To open a mortgage lender's office at Front Royal Business Park, 470-C, Front Royal, VA

BAN19950878 American General Finance, Inc.
To relocate mortgage lender's office from 3820-B Mechanicsville Tpk., Richmond, VA to 3101-3103 Mechanicsville Tpk., Richmond, VA
BAN19950879 American General Finance of America, Inc.
To relocate consumer finance office from 3820-B Mechanicsville Turnpike, Henrico County,VA to 3101-3103 Mechanicsville Turnpike, Henrico County, VA
BAN19950880 Advantage Home Mortgage Co.
To relocate mortgage broker's office from 11130 Main Street, Suite 200, Fairfax, VA to 3825 Plaza Drive, Fairfax, VA
BAN19950881 First Republic Mortgage Corporation
To open a mortgage lender and broker's office at 1420 Beverly Road, Suite 240, McLean, VA
BAN19950882 Southern Pacific Funding Corporation
For a mortgage lender's license at 6800 Indiana Avenue, #110, Riverside, CA
BAN19950883 GSF Mortgage Corporation
To open a mortgage broker's office
BAN19950884 Warner, Mark L.
To register as a check casher at 52 West Mercury Boulevard, Hampton, VA
BAN19950885 First Equity Mortgage Incorporated d/b/a American Equity Mortgage, Inc.
To open a mortgage lender and broker's office at 7265 Kenwood Road, Suite 111, Cincinnati, OH
BAN19950886 Home Mortgage & Investment Company
To relocate mortgage broker's office from 7531 Leesburg Pike, #202, Falls Church, VA to 6408-P Seven Corners Place, Falls Church, VA
BAN19950887 Chesapeake Bank
To open an EFT facility at 4707 County Drive, New Bohemia, VA
BAN19950888 Chesapeake Bank
To open an EFT facility at 801 England Street, Ashland, VA
BAN19950889 Chesapeake Bank
To open an EFT facility at 626 Warrenton Road, Stafford County, VA
BAN19950890 Banc Mortgage Corporation, The
To open a mortgage broker's office
BAN19950891 Dietech Funding Corporation
For a mortgage lender's license
BAN19950892 Commercial Credit Corporation
To relocate mortgage lender's office from 7020 Commerce St., Commerce Plaza, Springfield, VA to 6800 Backlick Rd., Springfield, VA
BAN19950893 Commercial Credit Loans, Inc.
To relocate consumer finance office from 7020 Commerce Street, Commerce Plaza, Springfield, VA to 6800 Backlick Road, Suite 100, Springfield, VA
BAN19950894 Statewide Mortgage Corporation
To open a mortgage broker's office
BAN19950895 Advanced Financial Services, Inc.
To open a mortgage lender and broker's office
BAN19950896 Dovenmuehle Funding, Inc.
For a mortgage lender's license
BAN19950897 Executive Mortgage Bankers Ltd.
To open a mortgage lender's office at 1421 Dolly Madison Boulevard, McLean, VA
BAN19950898 Vina Mortgage & Investment Company
To relocate mortgage broker's office from 7531 Leesburg Pike, #202, Falls Church, VA to 6408-P Seven Corners Place, Falls Church, VA
BAN19950899 First Community Bank
To open an EFT facility at Liberty University, DeMoss Learning Center, 3765 Candlers Mountain Rd., Lynchburg, VA
BAN19950900 F & M Bank - Peoples
To open an EFT facility at 6902 Leeds Manor Road, Orlean, VA
BAN19950901 Townsend & Wright Mortgage Corporation
To open a mortgage broker's office
BAN19950902 Farmers Bank of Appomattox, The
To open a bank at the southeast corner of the intersection of State Route 20 and U.S. Route 15, Dillwyn, VA
BAN19950903 Atlas Capital Funding, Inc.
For a mortgage lender's license at 11785 Beltsville Drive, Suite 250, Beltsville, MD
BAN19950904 Bank of Waverly, The
To open a bank at 200 N. Main Street, Franklin, VA
BAN19950905 Bank of Waverly, The
To open a bank at 22241 Main Street, Courtland, VA
BAN19950906 NBI Interim Bank
To open a bank
BAN19950907 Bank of Tazewell County
To merge into it NBI Interim Bank (Phantom Bank) Blacksburg, VA
BAN19950908 National Bankshares, Inc.
To acquire 100 percent of the voting shares of Bank of Tazewell County
BAN19950909 Mortgage South, Inc.
For a mortgage lender and broker's license at 4900 Fitzhugh Avenue, Richmond, VA
BAN19950910 University Mortgage, Inc.
For a mortgage broker's 2051 Davis Ford Road, Woodbridge, VA
BAN19950911 Newport News Shipbuilding Employees' Credit Union, Inc.
To open a service facility at 12401 Warwick Boulevard, Newport News, VA

BAN19950912 TranSouth Mortgage Corporation
To open a mortgage lender's office at 4218 Brambleton Avenue, SW, Roanoke, VA
BAN19950913 Transouth Financial Corporation
To open a consumer finance office at 4218 Brambleton Avenue, SW, Roanoke, VA
BAN19950914 Transouth Financial Corporation
To conduct sales finance business at several locations where other business will also be conducted
BAN19950915 Transouth Financial Corporation
To conduct mortgage lending at several locations where other business will also be conducted
BAN19950916 Transouth Financial Corporation
To conduct revolving loan business at several locations where other business will also be conducted
BAN19950917 Transouth Financial Corporation
To conduct floor plan lending at several locations where other business will also be conducted
BAN19950918 Transouth Financial Corporation
To conduct property insurance business at several locations where other business will also be conducted
BAN19950919 Primerica Financial Services Home Mortgages, Inc.
To relocate mortgage lender and broker's office from 6767 Forest Hill Avenue, Suite 320, Richmond, VA to 300 Arboretum Place, Suite 330, Richmond, VA
BAN19950920 Cornerstone Mortgage, Inc.
To relocate mortgage broker's office from 8628 Centreville Road, Suite 102, Manassas, VA to 8628 Centreville Road, Suite 202, Manassas, VA
BAN19950921 Bank of Tidewater, The
To open a branch at the Greenbrier Market Center, Greenbrier Parkway, Chesapeake, VA
BAN19950922 Monument Mortgage Corporation
For mortgage lender and broker's licenses at several locations
BAN19950923 First-Citizens Bank & Trust Company
To open a branch at 200 East Virginia Avenue, Crewe, VA
BAN19950924 Mortgage America Companies, Inc.
For mortgage broker's licenses at several locations
BAN19950925 American Bankers Mortgage Corporation
To open a mortgage broker's office at 1363 Garden Wall Circle, Reston, VA
BAN19950926 Crestar Bank
To open a branch at Statler Square Shopping Center, 850 Statler Boulevard, Staunton, VA
BAN19950927 Fox, Douglas R. d/b/a Fox Mortgage Associates
To relocate mortgage broker's office from 12500 Fair Lakes Circle, Ste. 145, Fairfax, VA to 12500 Fair Lakes Circle, Ste. 250, Fairfax, VA
BAN19950928 Home Mortgage & Investment Company
To open a mortgage broker's office at 4224 Cox Road, Suite 108, Glen Allen, VA
BAN19950929 Crestar Bank
To open a branch at Statler Square Shopping Center, 850 Statler Boulevard, Staunton, VA
BAN19950930 Benchmark Mortgage, Inc.
To relocate mortgage broker's office from 6207 Old Keene Mill Court, Springfield, VA to 9283 Old Keene Mill Road, Burke, VA
BFI950001 Pace American Bank
To open an office at northside of US Rt. 501, 0.25 miles south of State Rt. 122
BFI950002 Pace American Bank
To open an office at northside of W. Main St., 1.0 miles south of State Rt. 59
BFI950003 Pace American Bank
To open an office at South Main Street, Chatham, VA
BFI950004 Pace American Bank
To open an office at 561 Main Street, Alberta, VA
BFI950005 F&M Bank-Winchester
To open an office at northeast corner of US Rt. 50 and US Rt. 340, Boyce, VA
BFI950006 First Greensboro Home Equity Inc.
To open an office at 7331 Timberlake Rd., Suite 201, Lynchburg, VA
BFI950007 Peninsula Family Service Inc. d/b/a Consumer Credit Counseling Service of the Virginia Peninsula
To open an office at CFB 2700 Washington Ave., Newport News, VA
BFI950008 Mortgage Service America Co.
To relocate office from 3060 Williams Plaza Dr. to 11320 Random Hills Rd., Fairfax, VA
BFI950011 Household Realty Corp. d/b/a Household Realty Corp. of Virginia
To relocate office from 49 Sherwood Shopping Center to 14346 Warwick Blvd., Newport News, VA
BFI950012 Norfolk Industrial Loan Assoc.
To relocate office from 200 Golden Oak Court, VA Beach, VA to 1700 Diagonal Rd., Alexandria, VA
BFI950013 Consumer Credit Counseling Service of Virginia, Inc.
To open an office at 307 E. Third St., Farmville, VA
BFI950014 United Companies Lending Corp.
To open an office at 8229 Boone Blvd., Suite 885, Vienna, VA
BFI950015 United Companies Lending Corp.
To open an office at 1889 Euclid Ave., Bristol, VA
BFI950016 Premier Bank-North
To open a branch at 2000 North Main Street, Pound, VA
BFI950017 Bank of Southside Virginia, The
To open an office at 18207 Virginia Ave., Boykins, VA

BFI950018 Bank of Southside Virginia, The
To open an office at 23003 Main St., Capron, VA

BFI950019 Bank of Southside Virginia, The
To open an office at 1310 Armory Drive, Franklin, VA

BFI950020 First Jefferson Mortgage Corp.
To open an office at 1501 Santa Rosa Road, Suite B-6, Richmond, VA

BFI950021 Toney, Charles W. t/a Virginia Mortgage Center
For a license as a mortgage broker at 1904 Byrd Ave., Richmond, VA

BFI950022 Associated Financial Group Inc.
To relocate office from 405 Oakmears Crescent, Suite 5 to Central Park, Suite 107, VA Beach, VA

BFI950023 Mortgage Credit Corporation
To open an office at 1401 Greenbrier Parkway, Suite 455, Chesapeake, VA

BFI950024 First Citizens Bancshares Inc.
To acquire State Bank, 501 Westwood Shopping Center, Fayetteville, NC

BFI950025 Commercial Credit Corporation
To open an office at 633 Independence Blvd., Mt. Airy, NC

BFI950026 Commercial Credit Corporation
To open an office at 1419-A-1 Ehringhaus St., Elizabeth City, NC

BFI950027 Commercial Credit Corporation
To open an office at 300 Becker Dr., Roanoke Rapids, NC

BFI950028 Fon, Wen-Kong Hugo
To acquire 100% of P&A Mortgage Bankers, Inc.

BFI950029 Eastern Financial Services, Inc.
For mortgage broker's licenses at several locations

BFI950030 United Mortgagee Inc.
To relocate office from 484 Viking Dr. to 3500 VA Beach Blvd., VA Beach, VA

BFI950031 Masters Mortgage Inc.
To open an office at 11350 Random Hills Rd., Suite 800, Fairfax, VA

BFI950032 Masters Mortgage Inc.
To relocate office from 2915 Hunter Mill Rd. to 2813 Rifle Ridge Rd., Oakton, VA

BFI950033 Julian, Jon t/a Mortgage Funding of Virginia
To relocate office from 2217 Princess Anne St., Fredericksburg, VA to 696 Warrenton Rd., Falmouth, VA

BFI950034 Mortgage Service America
To relocate office from 11320 Random Hills Rd., Suite 400 to Suite 250, Fairfax, VA

BFI950035 Atlantic Coast Capital Inc.
For a mortgage broker's license at 2613 Gaylord Rd., Roanoke, VA

BFI950036 Davis, Kristi K.
For a mortgage broker's license at 7432 Alban Station Blvd. and 144 Oakview Drive, Leesburg, VA

BFI950037 Ex Parte: Delegation of authority to Commissioner of Financial Institutions

BFI950038 Mortgage Advantage Corp.
Alleged violation of VA Code §§ 6.1-422(B)(4), et al.

BFI950039 LFS Mortgage Corporation
For a mortgage broker's license at 4716 Pontiac St., Suite 312, College Park, MD

BFI950040 Chandler, Jeffrey Dale
To relocate office from 10349A Warwick Blvd., Newport News, VA to 3 Fox Gate Way, Hampton, VA

BFI950041 Guild Mortgage Company
To open an office at 3247 Mission Village Dr., San Diego, CA

BFI950042 Washington Suburban Financial Services Inc.
To relocate office from 6828 Commerce St., Suite 102 to Suite 101, Springfield, VA

BFI950043 Ramsay Mortgage Co of North Carolina Inc. t/a Old Town Funding Corp.
To open an office at 5480 Wisconsin Ave., Suite 114, Chevy Chase, MD

BFI950044 Express America Mortgage Corp.
To relocate office from 3490 Piedmont Rd., NE, #910, Atlanta, GA to E. Via Linda St., Scottsdale, AZ

BFI950045 Pyon, Doknam C.
To acquire 49% of P&A Mortgage Bankers Inc.

BFI950046 First Choice Mortgage Corp.
For a mortgage broker's license at 11834-K2 Canon Blvd., Newport News, VA

BFI950048 Marshall, David E. t/a Dominion Mortgage Funding
For license as a mortgage broker at 12600 Monument Ave., #3, Richmond, VA

BFI950049 Unicor Mortgage, Inc.
For a mortgage lender's license at 4041 Essen Lane, Baton Rouge, LA

BFI950050 Bank of Buchanan
To relocate branch from 451 Lee Highway, South to 60 Lee Highway, Troutville, VA

BFI950051 First Community Bank of Saltville
To begin banking business at 205 Main St., Saltville, VA

BFI950052 Crestar Bank
To open an EFT facility at 96 Medical Center Dr., Fishersville, VA

BFI950053 Longshine Mortgage Corporation
To relocate office from 8500 Leesburg Pike, Vienna, VA to 1411 Woodhurst Blvd., McLean, VA

BFI950054 Chesapeake 1st Mortgage Corp. t/a Chesapeake Mortgage Corp.
To relocate office from 15009 Athey Rd., Burtonsville, MD to 404 Powder Mill Rd., Calverton, MD

BFI950055 Capital Financial Services
To relocate office from 7501 Boulders View Dr., Richmond, VA to 2700 Pocahontas Trail, Quinton, VA

BFI950056 Cook & Associates
To open an office at 11830-C Canon Boulevard, Newport News, VA

BFI950057 Crestar Bank
To relocate office from 2501 to 2712 Washington Ave., Newport News, VA

BFI950058 Metropolitan Mortgage Bankers Inc.
To open an office at 8027 Leesburg Pike, Suite 710, Vienna, VA

BFI950059 Premier Bank-Central
To open a branch at Highway 71, Nickelsville, VA

BFI950060 Medallion Mortgage Company
To open an office at 650 Saratoga Avenue, San Jose, CA

BFI950061 Medallion Mortgage Company
To open an office at 3165 Winchester Boulevard, Campbell, CA

BFI950062 Phaup, Mark T.
To acquire 30% of Capital Financial Services Inc.

BFI950063 Equity One of Virginia Inc.
To open an office at 202 Clark Street, Suite 3, Farmville, VA

BFI950064 Peninsula Trust Bank Inc.
To open a bank at 832 Newport Square Shopping Center, Newport News, VA

BFI950065 Guild Mortgage Company
To open an office at 9160 Gramercy Dr., San Diego, CA

BFI950066 Mego Mortgage Corporation
For a mortgage lender's license at 210 Interstate North Parkway, Suite 250, Atlanta, GA

BFI950067 PMC Mortgage Corporation
For a mortgage lender's license at 6100 Franconia Rd., Suite D and E, Alexandria, VA

BFI950068 Monument Mortgage Corp.
To relocate office from 1450 Mercantile Lane, Suite 201 to Suite 231, Landover, MD

BFI950069 Ginger Mae Inc.
For a mortgage lender's license at 4041 Essen Lane, Baton Rouge, LA

BFI950070 Beneficial Mortgage Co. of Virginia
To relocate office from 6202 N. Military Highway to 224 Janaf Shopping Center, Norfolk, VA

BFI950071 Beneficial Discount Co. of Virginia
To relocate office from 6202 N. Military Highway to 224 Janaf Shopping Center, Norfolk, VA

BFI950072 Lamorte, John J.
To relocate office from 4500 Daly Dr., Suite 200 to 4510 Daly Dr., Suite 300, Chantilly, VA

BFI950073 Virginia Community Bank
To open a bank at 10654 Courthouse Rd., Fredericksburg, VA

BFI950074 WMF Residential Mortgage Corp.
Alleged violation of VA Code § 6.1-413

BFI950075 American Realty Mortgage Inc.
For a mortgage broker's license at 1004 Samplers Way, Potomac, MD

BFI950076 Crowne Mortgage Corporation
For a mortgage broker's license at 1910 Byrd Avenue, Richmond, VA

BFI950077 American Advantage Mortgage Inc.
For a mortgage broker's license at 10-B Winters Lane and 8136 Old Keene Mill Rd., Baltimore, Md

BFI950078 New American Financial Inc.
For a mortgage lender's license at 225 Reinekers Lane, Suite 755, Alexandria, VA

BFI950079 White, B. Tucker Jr. d/b/a Action Mortgage
To open an office at 609 East Main St., Purcellville, VA

BFI950080 Premier Bank-North
To open a branch at 100 East 5th Street, Big Stone Gap, VA

BFI950081 Premier Bank-North
To open a branch at 355 Front Street, Coeburn, VA

BFI950082 Premier Bank Inc.
To open a branch at 300 North Main Street, Galax, VA

BFI950083 Premier Bank Inc.
To open a branch at 300 East Main Street, Independence, VA

BFI950084 Premier Bank Inc.
To open a branch at Main and Buck Streets, Rural Retreat at Wythe County, VA

BFI950085 Premier Bank Inc.
To open a branch at Main Street, Fries, VA

BFI950086 Mortgage Authority Inc., The
To open an office at 33200 W. 14 Mile Road, West Bloomfield, MI

BFI950087 Ex Parte: Rules
In the matter of proposed amendment to rules promulgated under Mortgage Lender and Broker Act

BFI950088 Universal American Mortgage Co.
To relocate office from 10530 Rosehaven St., Fairfax, VA to 266 Riva Rd., Annapolis, VA

BFI950089 Sauls, Barbara Ann
To relocate office from 8332 Richmond Highway, Suite 201 A to Suite 204, Alexandria, VA

BFI950090 Nationscredit Financial Services Corp. of Virginia
To relocate office from 1905 S. Military Highway to 1418 Battlefield Blvd., Chesapeake, VA

BFI950091 Beneficial Virginia Inc.
To relocate office from 6202 N. Military Highway to 244 Janaf Shopping Center, Norfolk, VA

BFI950092 Davenport-Dukes Mortgage Service Corp.
To open an office at 4425 Corporation Lane, Suite 190, VA Beach, VA

BFI950093 Citizens & Farmers Bank
To open a bank at the southwest corner of intersection of State Route 33 and State Route 227, West Point, VA

BFI950094 Citizens & Farmers Bank
To open a bank at US Routes 360 and 17, Essex Square Shopping Center, Tappahannock, VA

BFI950095 J I Kislak Mortgage Corp.
For a mortgage lender's license at 7900 Miami Lakes Dr., West and 12150 E. Monument Dr., Fairfax, VA

BFI950096 Virginia Home Mortgage Corp.
For a mortgage broker's license at 701 Greenbrier Parkway, Chesapeake, VA

BFI950097 F&M National Corporation
To acquire 100% of Bank of the Potomac Inc.

BFI950098 City Wide Mortgage, Inc.
Alleged violation of VA Code § 6.1-413

BFI950099 Ex Parte: Regulations
Adoption of regulations implementing the Trust Company Act

BFI950100 Cardinal Mortgage Inc.
To open an office at 746 Walker Road, Suite 24A, Great Falls, VA

BFI950101 Consumer First Mortgage Inc.
To relocate office from 5105-Q, Backlick Rd. to 7611 Little River Turnpike, Annandale, VA

BFI950102 Flowers, Simpkins, Daly & Geho Inc.
For a mortgage lender and broker's license at 217B N. College Dr., Franklin, VA

BFI950103 Shumway, Scot D. d/b/a Provident Funding Group
For a mortgage broker's license at 9126 Roundleaf Way, Gaithersburg, MD

BFI950104 Commercial Credit Corp.
To open an office at 7260 Montgomery Road, Elkridge, MD

BFI950105 Chrysler Home Mortgage Corp.
To open an office at 1108 Madison Plaza, Suite 201, Chesapeake, VA

BFI950106 Freedom Mortgage Corp.
To relocate office from 1109 Spring St., Suite A to 10205 Portland Rd., Silver Spring, MD

BFI950107 Preciado, Alma E. d/b/a Metropolitan Financial
For a mortgage brokerer's license at 12114-A, Heritage Park Circle, Silver Spring, MD

BFI950108 Ex Parte: Rules
Proposed amendments to rules relating to Surety Bonds of Money Order Sellers

BFI950109 Bank of Fincastle, The
To open an EFT facility at 3351 Lee Highway, Cloverdale, VA

BFI950110 F&M Bank-Massanutten
To open a branch at northeast corner of intersection of State Rt. 42 and American Legion

BFI950111 Mortgage Service America Co.
Alleged violation of VA Code § 6.1-416

BFI950112 International Mortgage Assoc. Inc.
Alleged violation of VA Code § 6.1-416

BFI950113 Hamilton Financial Corp.
To open an office at 12 Menne Drive, Stafford, VA

BFI950114 Freedom Home Mortgage Corp.
To open an office at 1288 Route 73, South 2nd, 3rd and 4th Floors, Mt. Laurel, NJ

BFI950115 K Hovnanian Mortgage Inc.
To relocate office from 12150 Monument Dr., Fairfax, VA to 1135 Kildaire Farm Rd., Cary, NC

BFI950116 Express American Mortgage Corp.
To open an office at 11602 Harvestdale Drive, Fredericksburg, VA

BFI950117 Mortgage Enterprises Inc.
For a license to engage in business as a mortgage broker

BFI950118 Kipling Mortgage Group, Inc.
For a mortgage lender's license at 3867 Roswell Rd., Atlanta, GA and 1149 Hanover Green

BFI950119 Nassief, Joseph Christopher d/b/a The Mortgage Exchange Service
For a mortgage broker's license at 8125 Larkin Lane, Vienna, VA

BFI950120 First Community Finance Inc.
To relocate office from 59 to 71 S. Airport Dr., Highland Springs, VA

BFI950121 Weyerhaeuser Mortgage Company
To open an office at 6320 Canoga Ave., 9th Floor, Woodland Hills, CA

BFI950122 Windsor Mortgage Corp.
To open an office at 6829 Elm St., Suite 105, McLean, VA

BFI950123 Performance Mortgage of Coachella Valley
To relocate office from 112 Creek Side Lane to 297 Valley Ave., Winchester, VA

BFI950124 Highlands Union Bank
To open a bank at 821 Commonwealth Ave., Bristol, VA

BFI950125 Atkins, Montague Maury
For a mortgage broker's license at 115 Route 33 East, Suite 210, West, Louisa, VA

BFI950126 Nationscredit Financial Services Corp. of Virginia
To open an office at Manaport Plaza, 8335 Sudley Road, Manassas, VA

BFI950127 Nationscredit Financial Services Corp. of Virginia
To conduct property insurance business where other business will be conducted

BFI950128 Nationscredit Financial Services Corp. of Virginia
To conduct sales finance business where other business will be conducted

BFI950129 Nationscredit Financial Services Corp. of Virginia
To conduct open-end lending where other business will be conducted

BFI950130 Nationscredit Financial Services Corp. of Virginia
To conduct mortgage lending where other business will be conducted

BFI950131 Equity One Consumer Discount Co., Inc. d/b/a Equity One Consumer Loan
To open an office at 4021 Halifax Rd., Suite B, South Boston, VA

BFI950132 Equity One Consumer Discount Co., Inc. d/b/a Equity One Consumer Loan
To begin a sales finance business

BFI950133 Equity One Consumer Discount Co., Inc. d/b/a Equity One Consumer Loan
To begin business as a mortgage lender

BFI950134 Household Realty Corp. d/b/a Household Realty Corp. of Virginia
To relocate office from 4713 Nine Mile Rd., Richmond, VA to 7358 Bell Creek Rd., Mechanicsville, VA

BFI950135 Household Realty Corp. d/b/a Household Corp. of Virginia
To relocate office from 621 E. Jubal Early Dr. to 2029 S. Pleasant Valley Rd., Winchester, VA

BFI950136 TMC Mortgage Company LP
To open an office at 4470 Chamblee-Dunwoody Rd., Suite 445, Atlanta, GA

BFI950137 Washington Mortgage Corp.
To relocate office from 5514 Alma Lane, Springfield, VA to 7006 Little River Turnpike, Annandale, VA

BFI950138 Foxhall Mortgage Corporation
Alleged violation of VA Code § 6.1-413

BFI950139 Ex Parte: Regulation
In matter of proposed regulation to be promulgated under Consumer Finance Act

BFI950141 SC Funding Corporation
Alleged violation of VA Code §§ 6.1-416 and 6.1-418

BFI950142 Far East Financial Company Inc. t/a Central Trust Mortgage
Alleged violation of VA Code § 6.1-418

BFI950143 American Mortgage Bankers, Inc.
Alleged violation of VA Code § 6.1-418

BFI950144 American Bankers Mortgage Corp.
Alleged violation of VA Code § 6.1-418

BFI950145 Performance Mortgage of Coachella Valley
Alleged violation of VA Code § 6.1-418

BFI950146 Shareholders Funding Inc. d/b/a Affinity National Mortgage
Alleged violation of VA Code § 6.1-418

BFI950147 American Independent Mortgage Inc.
Alleged violation of VA Code § 6.1-418

BFI950148 Mortgage Advantage Corporation
Alleged violation of VA Code § 6.1-418

BFI950149 Monarch Mortgage, Inc.
Alleged violation of VA Code § 6.1-418

BFI950150 Fintek, Inc.
Alleged violation of VA Code § 6.1-418

BFI950151 Finamark, Inc.
Alleged violation of VA Code § 6.1-418

BFI950152 East West Mortgage Company Inc.
Alleged violation of VA Code § 6.1-418

BFI950153 Park, David S. and Jessica S. t/a Banktrust Mortgage Co.
Alleged violation of VA Code § 6.1-418

BFI950154 Johng, Terri G.
Alleged violation of VA Code § 6.1-418

BFI950155 Morgan Home Funding Corp.
Alleged violation of VA Code § 6.1-418

BFI950156 Advantage Home Mortgage Co.
Alleged violation of VA Code § 6.1-418

BFI950157 ABS Financial Services, Inc.
Alleged violation of VA Code § 6.1-418

BFI950158 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Co., Inc.
Alleged violation of VA Code § 6.1-418

BFI950159 City Federal Funding & Mortgage Corp.
Alleged violation of VA Code § 6.1-418

BFI950160 Ace Mortgage Corporation
Alleged violation of VA Code § 6.1-418
BFI950161 Benefit Funding Corporation
Alleged violation of VA Code § 6.1-418
BFI950162 WMS, Inc.
Alleged violation of VA Code § 6.1-418
BFI950163 Trimark Financial Services, Inc.
Alleged violation of VA Code § 6.1-418
BFI950164 Mortgage One Financial Centers Inc.
Alleged violation of VA Code § 6.1-418
BFI950165 Mortgage Lending Corporation
Alleged violation of VA Code § 6.1-418
BFI950166 Continental Mortgage Corp.
Alleged violation of VA Code § 6.1-418
BFI950167 Fairfax Mortgage Investments Inc.
Alleged violation of VA Code § 6.1-418
BFI950168 Newmarket Capital Corp.
Alleged violation of VA Code § 6.1-418
BFI950169 Samson Universal Mortgage Corp. t/a Sumco Mortgage Processing Centers
Alleged violation of VA Code § 6.1-418
BFI950170 American Funding & Investment Corporation
Alleged violation of VA Code § 6.1-418
BFI950171 Vaden, David T. t/a Mortgage Aid Financial Services of Virginia
Alleged violation of VA Code § 6.1-418
BFI950172 Ex Parte: Regulation
In the matter of repealing regulation establishing maximum rates of charge and loan ceilings under the Consumer Finance Act
BFI950173 First American Mortgage Co. Inc.
Alleged violation of VA Code § 6.1-413
BFI950174 Home Loan Corporation
Alleged violation of VA Code § 6.1-416
BFI950175 Source One Mortgage Services Corporation
Alleged violation of VA Code § 6.1-416
BFI950176 Glou, Brian
Alleged violation of VA Code § 6.1-416.1
BFI950177 Ex Parte: Rules
In the matter of amending Rules Governing Open-end Lending and Mortgage Lending in offices licensed under the Consumer Finance Act
BFI950178 1st 2nd Mortgage Company of New Jersey, Inc.
Alleged violation of VA Code § 6.1-410
BFI950179 Primerica Financial Services Home Mortgages, Inc.
Alleged violation of VA Code § 6.1-416
BFI950180 Newport Pacific Mortgage Acceptance Corp.
Pursuant to 6.1-416.1 of the Code of Virginia
BFI950181 Ex Parte: Fleet Industrial
For order canceling certificate of authority
BFI950182 First Franklin Financial Corporation
Alleged violation of VA Code § 6.1-420
BFI950183 First Mount Vernon Financial Corporation
Alleged violation of VA Code § 6.1-420
BFI950184 Hamilton Mortgage Services Inc.
Alleged violation of VA Code § 6.1-420
BFI950185 Hickory Ridge Mortgage Company Incorporated
Alleged violation of VA Code § 6.1-420
BFI950186 Home Mortgage & Investment Company
Alleged violation of VA Code § 6.1-420
BFI950187 Mortgage Processing Services Ltd.
Alleged violation of VA Code § 6.1-420
BFI950188 National Healthcare Financial Associates Inc.
Alleged violation of VA Code § 6.1-420
BFI950189 Pan-American Mortgage Company Inc.
Alleged violation of VA Code § 6.1-420
BFI950190 Premier Mortgage Corporation
Alleged violation of VA Code § 6.1-420
BFI950191 Pumphrey Financial Group Inc.
Alleged violation of VA Code § 6.1-420
BFI950192 Strategic Financing Group Incorporated
Alleged violation of VA Code § 6.1-420
BFI950193 Bashaw, William Lawrence II t/a Advantage Funding
Alleged violation of VA Code § 6.1-420
BFI950194 Lyons, Jonathan Baldauf d/b/a The Lyons Group
Alleged violation of VA Code § 6.1-420

BFI950195 Abbot Mortgage Service, Inc.
Alleged violation of VA Code § 6.1-420
BFI950196 American Mortgage Services, Inc.
Alleged violation of VA Code § 6.1-420
BFI950197 Ameritrust Mortgage Corp.
Alleged violation of VA Code § 6.1-420
BFI950198 Benefit Funding Corp.
Alleged violation of VA Code § 6.1-420
BFI950199 Federal Funding Group, Inc. t/a Federal Mortgage Co.
Alleged violation of VA Code § 6.1-420
BFI950200 Freedom Mortgage Corp. d/b/a Freedom Home Mortgage Corp.
Alleged violation of VA Code § 6.1-420
BFI950201 Staunton Employees Credit Union
For approval of merger of Staunton Employees Credit Union into Waynesboro Dupont Employees Credit Union
BFI950202 First American Corporation
To acquire Charter Federal Savings Bank, Bristol, VA

CLK: CLERK'S OFFICE

CLK950023 Election Of Chairman
Pursuant to VA Code § 12.1-7
CLK950046 Gardiner, Richard E. v. League of Woman Voters of Virginia
For imposition of fine and enjoining of activities pursuant to VA Code § 12.1-13
CLK950052 Todd, John S.
For revocation of certificate of merger issued 2/2/95 pursuant to VA Code § 13.1-614
CLK950147 Rosa, Miguel A., M.D., P.C.
For order nullifying order issued 7/1/94 in Case No. CLK940440
CLK950186 Appalachian Estates Citizens Assoc.
For order of involuntary dissolution and termination of corporate existence
CLK950518 Clothes Exchange, Inc., The
For order of involuntary dissolution and termination of corporate existence
CLK950612 First Delaware Life Insurance
Foreign max case stimulus
CLK950629 Cato Corporation, The
Foreign max case stimulus
CLK950636 Darling International Inc.
Foreign max case stimulus
CLK950648 Healthy Buildings International
Foreign max case stimulus
CLK950660 Reynolds, Robert S. v. Council on Foreign Relations, Inc.
Petition seeking relief against CFR, Inc.
CLK950670 Lotus Development Corporation
Foreign max case stimulus
CLK950672 Fischer & Porter Company
Foreign max case stimulus
CLK950673 Proffitt's, Inc.
Foreign max case stimulus
CLK950680 Archibald Candy Corporation
Foreign max case stimulus
CLK950691 Volvo Cars of North America
Foreign max case stimulus
CLK950698 Franki Northwest Company
Foreign max case stimulus

INS: BUREAU OF INSURANCE

INS940220 Murray, Gwendolyn
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS940252 Bennett, David H. et al. v. Virginia Life, Accident & Sickness Insurance Guaranty Assoc.
For declaratory relief
INS950002 Canal Insurance Company
Alleged violation of VA Code §§ 38.2-231, et al.
INS950003 Fickey, Willis E. Jr. and Blue Ridge Insurance Services Agency, Inc.
Alleged violation of VA Code §§ 38.2-310 and 38.2-1813
INS950004 Monarch Life Insurance Co.
Alleged violation of VA Code § 38.2-1040
INS950005 National Union Fire Insurance Company of Pittsburgh, PA
Alleged violation of VA Code §§ 38.2-317, et al.
INS950006 Insurance Doctor Agency of Richmond, Inc, The
Alleged violation of VA Code §§ 38.2-512, et al.

INS950007 Consumers United Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C
INS950008 National Union Fire Insurance Co of Pittsburgh, PA
Alleged violation of VA Code § 38.2-1906
INS950009 Bishop, Donald Lee
Alleged violation of VA Code § 38.2-502.1
INS950010 Aetna Casualty & Surety Co.
Alleged violation of Section 4.6 of Rules Governing Insurance Premium Finance Cos.
INS950011 Greater New York Mutual Insurance Co.
For refund of overpayment of retaliatory taxes pursuant to VA Code § 58.1-2030
INS950012 Selman, Joe B.
Alleged violation of VA Code §§ 38.2-310, 38.2-502.1, 38.2-512, and 38.2-1808
INS950013 Blue Cross & Blue Shield of Virginia t/a Trigon Blue Cross & Blue Shield
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS950014 Midland National Life Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136
INS950015 Citizens Insurance Co. of America
Alleged violation of VA Code § 38.2-317
INS950016 Commercial Union Midwest Insurance Co.
Alleged violation of VA Code §§ 38.2-1906 and 38.2-317
INS950017 Hanover Insurance Co., The
Alleged violation of VA Code § 38.2-317
INS950018 Hartford Insurance Company of the Midwest
Alleged violation of VA Code § 38.2-1906
INS950019 Massachusetts Bay Insurance Co.
Alleged violation of VA Code § 38.2-317
INS950020 Pennsylvania Millers Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS950021 Vermont Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS950022 American Health Services Inc.
Alleged violation of VA Code § 38.2-503
INS950023 United American Insurance Co.
Alleged violation of Section 9 of Rules Governing Minimum Standards for Medicare Supplement Policies
INS950024 Rutherfoord International Inc.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-1833
INS950025 Richardson, Charles Jr. and The Richardson Insurance Agency
Alleged violation of VA Code § 38.2-1813
INS950026 Jefferson-Pilot Life Insurance Co.
Alleged violation of VA Code §§ 38.2-610 and 38.2-1833
INS950027 Elliott, Karen White
Alleged violation of VA Code §§ 38.2-512, 38.2-1804, and 38.2-310
INS950028 Strickland, Nell
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950029 First of Georgia Insurance Co.
Alleged violation of Administrative Order No. 10101
INS950030 Jefferson-Pilot Life Insurance Company
Alleged violation of VA Code § 38.2-1805.A
INS950031 Capital Care Inc.
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS950032 Robinson, Robert M. and Powell Insurance Agency Inc. and Colonial Insurance
Alleged violation of VA Code §§ 38.2-1839, et al.
INS950033 Hassell, Donnell L.
Alleged violation of VA Code §§ 38.2-512 and 38.2-1813
INS950034 Group Dental Service, Inc.
For license as a dental service plan in Virginia
INS950035 Cigna Healthcare of Virginia
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS950036 ISU Insurance Service d/b/a Insurance Services of San Francisco
Alleged violation of VA Code § 38.2-1802
INS950037 American E&S Insurance Brokers New York, Inc.
Alleged violation of VA Code § 38.2-1802
INS950038 Aetna Health Plans of The Mid-Atlantic, Inc.
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS950039 Lim, So J.
Alleged violation of VA Code §§ 38.2-1813, et al.
INS950040 Perry, Anna Lynn
Alleged violation of VA Code §§ 38.2-502, et al.
INS950041 Virginia Insurance Reciprocal
Alleged violation of VA Code § 38.2-1446

INS950042 First Colony Life Insurance Co.
Alleged violation of VA Code § 38.2-3126.B

INS950043 Jamestown Life Insurance Co.
Alleged violation of VA Code § 38.2-3126.B

INS950044 Commonwealth Dealers Life Insurance Co.
Alleged violation of VA Code § 38.2-3126.B

INS950045 National Financial Insurance Co.
Alleged violation of Insurance Regulation No. 22, Section 6.A

INS950046 Cigna Healthcare Mid-Atlantic Inc.
Alleged violation of VA Code §§ 38.2-316.A, et al.

INS950047 Argus Life Insurance Company
Alleged violation of VA Code § 38.2-1028

INS950048 Springfield Life Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C

INS950049 Monarch Life Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C

INS950050 Jefferson-Pilot Title Insurance Company
Alleged violation of VA Code §§ 38.2-1028 and 38.2-1040

INS950051 Thompson, Benjamin Owen
Alleged violation of VA Code §§ 38.2-1812.B, et al.

INS950052 American Family Life Assurance Co. of Columbus
Alleged violation of VA Code §§ 38.2-1812, et al.

INS950053 Kundra, Vipen K. and Kundra Insurance Agency, Inc.
Alleged violation of VA Code § 38.2-512

INS950054 Rawson, William
Alleged violation of VA Code § 38.2-1813

INS950055 Virginia Farm Bureau Mutual Insurance Co.
Alleged violation of VA Code § 38.2-610.B

INS950056 State Farm Fire & Casualty Co.
Alleged violation of VA Code § 38.2-1906

INS950057 ISU Insurance Services
Alleged violation of VA Code § 38.2-1802

INS950058 Ex Parte: Rules
In matter of repealing Commission Rules Governing Credit Life Insurance and Credit Accident and Sickness Insurance

INS950059 State Farm Mutual Automobile Insurance Co., et al.
Alleged violation of VA Code §§ 38.2-231, et al.

INS950060 Ex Parte: Prescription
Prescription of appointment and appointment renewal fees pursuant to VA Code § 38.2-1833.C

INS950061 Stacy, Eliot R.
Alleged violation of VA Code § 38.2-1822.A

INS950062 Ex Parte: Refunds
In matter of refunding overpayments of assessment for maintenance of Bureau of Insurance on direct gross premium of insurance companies for 1993

INS950063 Ex Parte: Refunds
In matter of refunding overpayments of premium license tax on direct gross premium income of insurance companies for 1993

INS950064 Government Employees Insurance Co., Geico Indemnity Co., Geico General Insurance Co., and Geico Casualty Co.
Alleged violations of VA Code §§ 38.2-510.A.6, et al.

INS950065 Myrick, Vincent L.
Alleged violation of VA Code § 38.2-1805.A

INS950066 Andrews, Doris J.
Alleged violation of VA Code § 38.2-1805.A

INS950067 Keener, Thomas C.
Alleged violations of VA Code §§ 38.2-512 and 38.2-514

INS950069 Air Force Retired Officers Community-Washington, D.C.
Alleged violation of VA Code § 38.2-4904

INS950070 Powell, Steven P.
Alleged violation of VA Code § 38.2-1822

INS950071 Exum, David J.
Alleged violation of VA Code § 38.2-1822

INS950073 Principal Health Care The Mid-Atlantic Inc.
Alleged violation of VA Code §§ 38.2-502.1, et al.

INS950074 Tate, Wendy L.
Alleged violation of VA Code § 38.2-1813

INS950075 Boudreaux, Noah Daniel
Alleged violation of VA Code §§ 38.2-1812, et al.

INS950076 Life Insurance Company of Georgia
Alleged violations of VA Code §§ 38.2-1812, et al.

INS950077 Baur, Jonathan S., et al.
Alleged violations of VA Code §§ 38.2-502.1 and 38.2-503

INS950078 Johnson, Russell
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950079 Norwest Corporation, Norwest Mortgage, Inc. and American Land Title Company, Inc.
Alleged violation of VA Code § 38.2-1024
INS950080 Goldberg, Philip
Alleged violation of VA Code § 38.2-1813
INS950001 Johnson, James E.
Alleged violations of VA Code §§ 38.2-502.1, et al.
INS950081 American Psychmanagement of Maryland, Inc.
Alleged violation of VA Code § 38.2-1300
INS950083 Civil Service Employees Insurance Co.
Alleged violation of VA Code § 38.2-1300
INS950084 American Alliance Insurance Company
Alleged violation of VA Code § 38.2-1906
INS950085 American National Fire Insurance Company
Alleged violation of VA Code § 38.2-1906
INS950086 American Spirit Insurance Company
Alleged violation of VA Code § 38.2-1906
INS950087 Colonial Insurance Company of California
Alleged violation of VA Code § 38.2-2014
INS950088 Great American Insurance Company
Alleged violation of VA Code § 38.2-1906
INS950089 USAA Casualty Insurance Company
Alleged violation of VA Code § 38.2-1906
INS950090 United Service Automobile Association
Alleged violation of VA Code § 38.2-1906
INS950091 Painewebber Insurance Services, Inc.
Alleged violations of VA Code §§ 38.2-1812.A and 38.2-1822.A
INS950092 Amvest Surety Insurance Co.
Alleged violation of VA Code §§ 38.2-1822, et al.
INS950093 United Southern Assurance
Alleged violation of VA Code § 38.2-1028
INS950094 World Service Life Insurance Company of America
Alleged violation of VA Code § 38.2-1028
INS950095 Brown, Connie H.
Alleged violation of VA Code § 38.2-1805.A
INS950096 Colinger, Brenda T.
Alleged violation of VA Code § 38.2-1805.A
INS950097 Handy, James G.
Alleged violation of VA Code § 38.2-1805.A
INS950098 Moore, Jeffrey D.
Alleged violation of VA Code § 38.2-1805.A
INS950099 Jarvis Insurance Associates Inc.
Alleged violation of VA Code § 38.2-1813
INS950100 Ward, Earl E. and Ward Insurance Services
Alleged violation of VA Code §§ 38.2-502.1, et al.
INS950101 Ryan, Aurelia
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950102 South Carolina Insurance Co.
Alleged violation of VA Code § 38.2-1036
INS950103 Blue Cross and Blue Shield of Virginia
For approval to convert from a mutual insurance company to a stock corporation
INS950104 Virginia Birth Related Neurological Injury Compensation Program
For approval of revised plan of operation
INS950105 Hager, Philip and Margaret and Hager Insurance Agency, Inc.
Alleged violation of VA Code § 38.2-1813
INS950106 Turner, Roosevelt, Mr. and Mrs.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950107 Capitol Life Insurance Co., The
Alleged violation of VA Code § 38.2-1040
INS950108 Health First, Incorporated
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS950109 Priority Health Plan Inc.
Alleged violation of VA Code §§ 38.2-316.B, et al.
INS950110 National Council on Compensation Insurance, Inc.
For revision of advisory loss costs and assigned risk workers' compensation insurance rates
INS950114 Optima Health Plan
Alleged violation of VA Code §§ 38.2-316.B, et al.
INS950115 Kimball, John D.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal

INS950116 Rothbard, Myra
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950117 Childs, Sr., Harold
Alleged violation of VA Code § 38.2-1813
INS950119 Kuteyi, Felix
Alleged violation of VA Code § 38.2-1822
INS950120 Prudential Insurance Co. of America, The
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS950121 Lieberman, Arnold R. and Estelle
For review of HOW Insurance Co., et el. Deputy Receiver's determination of appeal
INS950122 Aymett, Robert B.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950123 Fulcher, Richard J.
Alleged violation of VA Code § 38.2-512
INS950124 Garland, Nelson L.
Alleged violation of VA Code § 38.2-1813
INS950125 Wilmer, Danny W.
Alleged violation of VA Code §§ 38.2-502.1 and 38.2-503
INS950126 Metropolitan Life Insurance Company
Alleged violation of VA Code §§ 38.2-316, et al.
INS950128 Prudential Property and Casualty Co. and Prudential General Insurance Co.
Alleged violation of VA Code §§ 38.2-305, et al.
INS950129 Virginia Hospitality Group Self-Insurance Association
Alleged violation of Section 9 of Insurance Regulation No. 16
INS950130 Confederation Life Insurance and Annuity Company, In Receivership
For approval of an assumption reinsurance agreement pursuant to VA Code § 38.2-136.C(II)
INS950131 Jones, John L.
Alleged violations of VA Code § 38.2-512
INS950132 Louisa Farmers Fire Insurance Co., The
For approval to distribute remaining assets of corporation pursuant to VA Code § 38.2-216
INS950133 Spuler, Peter and Judith R.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950134 Newby, Brian D.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950135 Knight, Kevin A.
Alleged violation of VA Code § 38.2-1822
INS950136 Cincinnati Insurance Company and Cincinnati Casualty Company
Alleged violation of VA Code §§ 38.2-231, et al.
INS950138 HAA of Virginia Inc.
Alleged violation of VA Code §§ 38.2-305.A, et al.
INS950139 Transamerica Insurance Finance Corp.
Alleged violation of VA Code §§ 38.2-4705.B, et al.
INS950140 Ray, Curtis
For review of HOW Insurance Co., et al Deputy Receiver's determination of appeal
INS950141 Daniels, Francis A.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950142 Ginn, Ronald and Ginn Associates, Inc.
Alleged violation of VA Code § 38.2-1813
INS950144 Coggin, Gerry C. and Coggin Insurance Agency, Inc.
Alleged violation of VA Code §§ 38.2-502, et al.
INS950145 Metro Insurance Agency, Inc.
Alleged violation of VA Code § 38.2-1813
INS950146 National Fraternal Society of the Deaf
For suspension of defendant's license pursuant to VA Code § 38.2-1040
INS950147 Diehl, Lee M.
Alleged violation of VA Code §§ 38.2-502.1, et al.
INS950148 Riffe, Michael L.
Alleged vioaltions of VA Code §§ 38.2-1813, et al.
INS950149 Gaines & Critzer Ltd.
Alleged violation of VA Code §§ 38.2-1812, et al.
INS950150 American Interstate Insurance Co.
Alleged violation of VA Code §§ 38.2-1812, et al.
INS950152 Fickey, Willis E., Jr. and Blue Ridge Insurance Services Agency, Inc.
Alleged violation of VA Code §§ 38.2-1809, et al.
INS950153 Victoria Fire & Casualty Co.
Alleged violation of VA Code §§ 38.2-1833, et al.
INS950154 Sentara Health Plans, Inc.
Alleged violations of VA Code §§ 38.2-316.B, et al.
INS950155 Liberty Insurance Corporation
Alleged violation of VA Code § 38.2-1906

INS950156 Tokio Marine & Fire Insurance Company
Alleged violation of VA Code § 38.2-1906

INS950157 Potomac Insurance Company of Illinois
Alleged violation of VA Code § 38.2-1906

INS950158 Pennsylvania General Insurance Company
Alleged violation of VA Code § 38.2-1906

INS950159 General Accident Insurance Company of America
Alleged violation of VA Code § 38.2-1906

INS950160 Safeco Insurance Company of America
Alleged violation of VA Code § 38.2-2009

INS950161 Ex Parte: Refunds
In matter of refunding overpayments of premium license tax on direct gross premium of insurance companies for taxable year 1994

INS950162 Ex Parte: Refunds
In matter of refunding overpayments of flood prevention and protection assistance fund assessment for assessable year 1994

INS950163 Ex Parte: Refunds
In matter of refunding overpayments of fire programs fund assessment based on direct gross premium income of insurance companies for 1994

INS950164 Ex Parte: Refunds
In matter of refunding overpayments of assessment for maintenance of Bureau of Insurance on direct gross premium income of insurance companies for 1994

INS950165 Ex Parte: Refunds
In matter of refunding overpayments of Help Eliminate Automobile Theft (HEAT) Fund assessment based on direct gross premium income of insurance companies for 1994

INS950166 Richard L. S. Inc.
For acquisition of ERA Home Protection Co. of Virginia

INS950167 HAA of Virginia Inc.
Alleged violation of VA Code § 38.2-1408

INS950168 Castrinos, Sam
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal

INS950169 Redding, Jerry and Joyce
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal

INS950170 Ex Parte: Refunds
In matter of refunding overpayments of assessment for maintenance of Bureau of Insurance on direct gross premium income of insurance companies for 1993

INS950171 Ex Parte: Refunds
In matter of refunding overpayments of premium license tax on direct gross premium income of insurance companies for taxable year 1993

INS950172 American Home Shield of Virginia Inc.
Alleged violation of VA Code § 38.2-1446

INS950173 Jackson, Tracy C.
Alleged violations of VA Code § 38.2-512

INS950174 D. R. Horton Custom Homes
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal

INS950175 Holmes, Percy L.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal

INS950176 First Option, Inc.
For suspension of license pursuant to VA Code § 38.2-1040

INS950177 McCarty, Timothy J.
Alleged violations of VA Code § 38.2-1813

INS950178 Mid-Atlantic Finance Corp.
For suspension of license to transact business of insurance

INS950180 American Diversified Insurance Co. and American Diversified Financial Services Inc.
Alleged violation of VA Code § 38.2-220

INS950181 Nationwide Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS950182 Nationwide Mutual Fire Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS950183 American Hardware Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS950184 Virginia Surety Co. Inc.
Alleged violation of VA Code § 38.2-1906

INS950185 Empire Fire and Marine Insurance Co.
Alleged violation of VA Code § 38.2-1906

INS950186 Mid-Atlantic Finance Corporation of Virginia, Inc.
For order suspending defendant's license

INS950188 Rollins Hudig Hall of New York, Inc.
Alleged violation of VA Code § 38.2-1802

INS950189 Bonvetti Homes Inc. and Reid, Victor and Sharon
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal

INS950190 Cooke, Andrew B. Jr.
Alleged violation of VA Code §§ 38.2-502.1, et al.

INS950191	Cato, James F. For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950192	Bayless, Malcolm G. and Carol For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950193	Robinson, Charles B. and Arlene For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950194	Reid, Victor and Sharon For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950197	Emerald Financial Services Inc. Alleged violation of VA Code sections
INS950198	Jarrell, Edward T. For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950199	CPF Premium Funding Inc. For suspension of license to transact business as premium finance company in Virginia
INS950200	ERA Home Protection Co. of Virginia For a protective order to guarantee the confidentiality of certain documents
INS950201	Nationwide Property and Casualty Insurance Co. Alleged violation of VA Code § 38.2-1906
INS950202	Employers Reinsurance Co. Alleged violation of VA Code §§ 38.2-1906 and 38.2-1912
INS950203	American National Fire Insurance Co. Alleged violation of VA Code § 38.2-317
INS950204	Mutual Service Casualty Insurance Co. Alleged violation of VA Code § 38.2-1906
INS950205	Clarendon National Insurance Co. Alleged violation of VA Code § 38.2-1906
INS950206	Boxley, Bolton and Garber For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950207	Grigsby, Lindle and Lutha For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950208	Boxley, Bolton and Garber For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950209	American Bankers Insurance Co. of Florida Alleged violation of VA Code §§ 38.2-2230, et al.
INS950210	Northland Casualty Company Alleged violation of VA Code § 38.2-2014
INS950211	Globe American Casualty Co. Alleged violation of VA Code § 38.2-1906
INS950212	Federal Insurance Company Alleged violation of VA Code §§ 38.2-1906, et al.
INS950213	Moody Legal Services Inc. Alleged violation of VA Code §§ 38.2-316.A, et al.
INS950214	Acacia National Life Insurance Co. Alleged violation of VA Code §§ 38.2-316.A, et al.
INS950215	Southern Health Services, Inc. Alleged violation of VA Code §§ 38.2-502.1, et al.
INS950216	CPF Funding, Inc. To cease and desist from soliciting or contracting business of insurance premium financing in Virginia
INS950217	American General Life and Accident Alleged violation of VA Code § 38.2-1805.A
INS950218	Langsner, Mitchell and Lori For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950219	Lee, Jong M. Alleged violation of VA Code §§ 38.2-1813, et al.
INS950220	Walsh, Robert James, Sr. Alleged violation of VA Code § 38.2-1813
INS950221	Hamilton National Life Insurance Co. Alleged violation of VA Code §§ 38.2-3728.A, et al.
INS950222	Vista Insurance Company To eliminate impairment and restore surplus to minimum amount required by law
INS950223	Vista Life Insurance Company Alleged violation of VA Code § 38.2-1028
INS950224	World Service Life Insurance Co. of America Alleged violation of VA Code § 38.2-1028
INS950225	Statesman National Life Insurance Co. Alleged violation of VA Code § 38.2-1028
INS950226	Parten, Randy For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950227	Williams Home, Inc., The Alleged violation of VA Code § 38.2-4904

INS950228 Greco, Eric W.
Alleged violation of VA Code § 38.2-503
INS950229 Ex Parte: Assessment
Assessment upon certain companies and surplus lines brokers to pay the expense of Bureau of Insurance for calendar year 1996
INS950230 Fadool, Timothy A.
Alleged violations of VA Code §§ 38.2-502.1 and 38.2-613.1
INS950231 Hodnett, John Philip
Alleged violation of VA Code §§ 38.2-1809, 38.2-1812 and 38.2-1813
INS950233 Grossman, Mark N.
Alleged violation of VA Code § 38.2-1813
INS950234 Group Hospitalization and 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.
INS950235 Riccio, John and Angela
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950236 Rodgers, Roy and Marie
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950237 Callis, Garry M.
Alleged violations of VA Code § 38.2-1813
INS950238 Cade Homes Inc.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950239 Country Joe, Inc.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950240 Harrington, Bill and Kay
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950241 Daughety, Michael J. and G. Joann
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950242 Princeton Landing Construction Co. Inc.
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950243 Rose, Paul and Gayle
For review of HOS Insurance Co., et al. Deputy Receiver's determination of appeal
INS950244 Black, Robert L.
Alleged violation of VA Code §§ 38.2-1809 and 38.2-1813
INS950245 Underwood, William E. and Mary Ann
For review of HOW Insurance Co., et al. Deputy Receiver's determination of appeal
INS950246 Ex Parte: Supplemental report
Adoption of supplemental report form pursuant to VA Code § 38.2-1905.2.A and B
INS950247 TIG Insurance Co.
Alleged violation of VA Code §§ 38.2-1812 and 1833
INS950248 Hufferman, Francis M., Jr.
Alleged violation of VA Code § 38.2-1822
INS950249 Even, Perry Frances
Alleged violation of VA Code § 38.2-1822
INS950250 Arthur J. Gallagher and Co.
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1822
INS950251 Fireman's Fund Insurance Co.
Alleged violation of VA Code §§ 38.2-1812 and 1833
INS950252 Steadfast Insurance Co.
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1833
INS950253 Ex Parte: Refunds
In matter of refunding overpayments of assessment for maintenance of Bureau of Insurance on direct gross premium income of surplus lines brokers for the year 1994
INS950254 Ex Parte: Refunds
In matter of refunding overpayments of premium license tax on direct gross premium income of surplus lines brokers for taxable year 1994
INS950255 Izomo, Ossai C.
Alleged violation of VA Code § 38.2-1813
INS950256 Reaves, Gary H.
Alleged violations of VA Code § 38.2-503
INS950257 United One Home Protection Corp. of Virginia
Alleged violation of VA Code §§ 38.2-1329, et al.
INS950258 Fidelity and Guaranty Insurance Underwriters
Alleged violation of VA Code §§ 38.2-231 and 38.2-304
INS950259 United States Fidelity and Guaranty Co., et al.
Alleged violation of VA Code §§ 38.2-231, et al.
INS950260 Fidelity and Guaranty Co.
Alleged violation of VA Code §§ 38.2-231, et al.

MCA: MOTOR CARRIER DIVISION - AUDITS

MCA950001 Gainey Transportation Services of Indiana Inc.
Alleged violation of VA Code § 58.1-2704

MCA950002 West Central Environmental Corp.
Alleged violation of VA Code § 58.1-2700
MCA950003 Universal Trucking Inc.
Alleged violation of VA Code § 58.1-2700
MCA950005 Trailblazer Transportation Inc.
Alleged violation of VA Code § 58.1-2700
MCA950006 Keystone Lines, Inc.
Alleged violation of VA Code § 58.1-2700
MCA950007 Chessor Cartage Company
Alleged violation of VA Code § 58.1-2700
MCA950008 Transcontinental Refrigerated
Alleged violation of VA Code § 58.1-2700
MCA950009 Cantu, Javier t/a Bicentennial Trucking Co.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA950010 International Multifoods Corp.
Alleged violation of VA Code §§ 56.331, et al.
MCA950011 Beverage Transportation Inc.
Alleged violation of VA Code § 58.1-2700
MCA950012 Statton Transportation Inc.
Alleged violation of VA Code § 58.1-2700
MCA950013 American Central Tranport Inc.
Alleged violation of VA Code §§ 58.1-2704, et al.
MCA950014 Spring Grove Transport Inc.
Alleged violation of VA Code § 58.1-2700
MCA950015 Aaron McGruder Trucking Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA950016 Smithfield Transportation Co. Inc.
Alleged violation of VA Code § 58.7-2700
MCA950017 W. H. Johns Inc.
Alleged violation of VA Code § 58.1-2700
MCA950018 Armes, Charles E.
Alleged violation of VA Code § 58.1-2700
MCA950019 AAA Coast Express, Inc.
Alleged violation of VA Code § 58.1-2700
MCA950020 K-Lee Trucking, Inc.
Alleged violation of VA Code § 58.1-2704
MCA950021 Dixieland Truck Brokers, Inc.
Alleged violation of VA Code § 58.1-2700
MCA950022 Transportation Techniques, Inc.
Alleged violation of VA Code § 58.1-2700
MCA950023 Ronald Wayne Powers, Inc.
Alleged violation of VA Code § 58.1-2700
MCA950024 Schneider National Carriers Inc.
Alleged violation of VA Code § 58.1-2700
MCA950025 Sanders Truck Transportation Co., Inc.
Alleged violation of VA Code § 58.1-2700
MCA950026 Century Transportation Corp.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA950027 Benson's Diamond "B", Inc.
Alleged violation of VA Code § 58.1-2700
MCA950028 Newton Agri-Systems Inc.
Alleged violation of VA Code § 58.1-2700
MCA950029 Shamrock Distribution Inc.
Alleged violation of VA Code § 58.1-2700
MCA950030 A to Z Transportation Inc.
Alleged violation of VA Code § 58.1-2700
MCA950031 Southern Intermodal Logistics Inc.
Alleged violation of VA Code § 58.1-2700
MCA950032 U. S. Intermodal Corp. of South Carolina
Alleged violation of VA Code § 58.1-2700
MCA950033 East Coast Motor Freight Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA950034 Showell Farms, Inc.
Alleged violation of VA Code § 58.1-2700
MCA950035 Flory's Beverage Distributors
Alleged violation of VA Code § 58.1-2700
MCA950036 UPS Truck Leasing Inc.
Alleged violation of VA Code § 58.1-2700
MCA950037 Hartman's Trucking Co.
Alleged violation of VA Code § 58.1-2700

MCA950038 J & M Transport, Inc.
Alleged violation of VA Code § 58.1-2700
MCA950039 Locklear, Bobby
Alleged violation of VA Code § 58.1-2700
MCA950040 North Arkansas Wholesale Co., Inc. t/a Wal-Mart
Alleged violation of VA Code § 58.1-2700
MCA950041 Rebel Express Corp.
Alleged violation of VA Code § 58.1-2700
MCA950042 Western Industries Inc.
Alleged violation of VA Code § 58.1-2700
MCA950043 Scales Transport Corp. Inc.
Alleged violation of VA Code § 58.1-2700
MCA950044 Minor, Franklin, Jr.
Alleged violation of VA Code § 58.1-2700
MCA950045 Estes Express Lines
Alleged violation of VA Code § 58.1-2700
MCA950046 Landair Transport Inc.
Alleged violation of VA Code § 58.1-2700
MCA950047 Chambers Development of Virginia
Alleged violation of VA Code § 58.1-2700
MCA950048 Looney, Kevin D. t/a L. & L. Trucking
Alleged violation of § 58.1-2700

MCE: MOTOR CARRIER DIVISION - ENFORCEMENT

MCE950001 Ross, Lloyd S. t/a Cost Less
Alleged violation of VA Code section
MCE950030 Pennington Seed Inc. of Virginia
Alleged violation of Lease Rule 3(A)
MCE950031 Ryder Dedicated Logistics Inc.
Alleged violation of VA Code § 56-304
MCE950032 Young Moving and Storage Inc.
Alleged violation of VA Code § 56-304
MCE950033 Bullock, J. E., Moore, W. J. and White, J. C.
Alleged violation of VA Code § 56-304.1
MCE950034 Corbett Farming Company
Alleged violation of VA Code § 56-304.1
MCE950035 R. R. Engineering Co. Inc.
Alleged violation of VA Code § 56-304.1
MCE950036 Jackson, Robert Charles
Alleged violation of VA Code § 56-304.1
MCE950037 Lockhart, Billy Lee
Alleged violation of VA Code § 56-304.1
MCE950038 Whites Trucking Co. Inc.
Alleged violation of VA Code § 56-304.1
MCE950039 Transportation Management Inc.
Alleged violation of VA Code § 56-338.52
MCE950040 Welch Services Inc. t/a White's Limousine
Alleged violation VA Code §§ 56-338.106, et al.
MCE950168 Lambert, Jason M.
Alleged violation of VA Code § 56-288
MCE950169 Williams, Diel
Alleged violation of VA Code § 56-288
MCE950170 Spicer, George Thomas
Alleged violation of VA Code § 56-288
MCE950171 Funk, Gary Wayne
Alleged violation of VA Code § 56-300
MCE950172 Gulliver's Moving and Storage
Alleged violation of VA Code § 56-338.8
MCE950173 Adventure Limousine Services Ltd.
Alleged violation of VA Code §§ 56-338.111, et al.
MCE950174 Executive Coach Inc.
Alleged violation of VA Code §§ 56-338.106, et al.
MCE950175 AES Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE950176 AES Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE950177 AES Limousine Service, Inc.
Alleged violation of VA Code § 56-304

MCE950178	Dixon, Huler, Jr. Alleged violation of VA Code § 56-304
MCE950179	Ricks, Darryl Lamont t/a Commonwealth Movers Alleged violation of VA Code § 56-304
MCE950180	A-1 Towing Companies Inc. Alleged violation of VA Code § 56-304
MCE950181	A-1 Towing Companies Inc. Alleged violation of VA Code § 56-304
MCE950182	Sorbi Inc. Alleged violation of VA Code § 56-304
MCE950183	Bains, Gurpreet S. t/a Springfield Yellow Cab Alleged violation of VA Code § 56-304
MCE950184	AES Limousine Service Inc. Alleged violation of VA Code § 56-304
MCE950185	J. C. Wooldridge Inc. Alleged violation of VA Code § 56-304.1
MCE950186	AES Limousine Service Alleged violation of VA Code § 56-304
MCE950187	Challenger Auto Sales Alleged violation of VA Code § 56-304
MCE950188	Eastern Motors Alleged violation of VA Code § 56-304
MCE950189	Devito Diesel Service Inc. Alleged violation of VA Code § 56-304.1
MCE950190	Foster, George t/a GWF Trucking Alleged violation of § 56-304.1
MCE950191	Foreman, Kenneth G. t/a K Foreman Trucking Alleged violation of VA Code § 56-304.1
MCE950192	Lend Lease Dedicated Service Inc. Alleged violation of VA Code § 56-304.1
MCE950193	Harry Barnes Freight and Light Hauling Alleged violation of § 56-304.1
MCE950194	Recovery Corporation of North Carolina Alleged violation of VA Code § 56-304.1
MCE950195	Isgan, Paul Edward, Jr. Alleged violation of VA Code § 56-304.1
MCE950196	Lowney Brothers Inc. Alleged violation of VA Code § 56-304.1
MCE950197	J. R. Gouge Trucking Inc. Alleged violation of VA Code § 56-304.1
MCE950198	Atlantic Trucking Inc. Alleged violation of VA Code § 56-304.1
MCE950199	Can Am Transport Inc. Alleged violation of VA Code § 56-304.1
MCE950200	All My Sons Moving and Storage of Maryland Inc. Alleged violation of VA Code § 56-304.1
MCE950201	Carson, Donald t/a Carson Trucking Alleged violation of VA Code § 56-304.1
MCE950202	Sargent Trucking Inc. Alleged violation of VA Code § 56-304.1
MCE950203	BCB Dispatch, Inc. Alleged violation of VA Code § 56-304.1
MCE950204	Roanoke-Chowan Logging Inc. Alleged violation of VA Code § 56-304.1
MCE950205	Tilley Chemical Co. Alleged violation of VA Code § 56-304.2
MCE950206	Pak-Mor Mfg. Co. Alleged violation of VA Code § 56-304.2
MCE950207	Zeman, Thomas B. Alleged violation of VA Code § 56-304.2
MCE950208	Atlantic Building Supply Inc. Alleged violation of VA Code § 56-304.2
MCE950209	Miller, Edward Lee t/a Eddy Miller Alleged violation of VA Code § 56-304.2
MCE950210	Maryland Lumber Co., The Alleged violation of VA Code § 56-304.2
MCE950211	Maryland Lumber Co., The Alleged violation of VA Code § 56-304.2
MCE950212	Hackett, Warren D. Alleged violation of VA Code § 56-304.2

MCE950213 Mechanicsville Concrete Inc.
Alleged violation of VA Code § 56-304.2
MCE950214 Phelps, Harry Thomas t/a South Fork Farm
Alleged violation of VA Code § 56-304.2
MCE950215 Morais Enterprises Inc.
Alleged violation of VA Code § 56-304.2
MCE950216 Lofts Inc.
Alleged violation of VA Code § 56-304.2
MCE950217 Baldwin Enterprises Inc.
Alleged violation of VA Code § 56-304.2
MCE950218 Santee Inc.
Alleged violation of VA Code § 56-304.2
MCE950219 Santee Inc.
Alleged violation of VA Code § 56-304.2
MCE950220 Barkel Furniture Inc.
Alleged violation of VA Code § 56-304.2
MCE950221 Merico Inc.
Alleged violation of VA Code § 56-304.2
MCE950222 Williamson, David Robert
Alleged violation of VA Code § 56-304.2
MCE950223 Marshall Construction Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE950224 CTI/DC, Inc.
Alleged violation of VA Code § 56-304.2
MCE950225 Laser Courier
Alleged violation of VA Code § 56-288
MCE950226 Phillis, Frank L. t/a Murphy's Law Towing
Alleged violation of VA Code § 56-288
MCE950227 Carter, Walter B.
Alleged violation of VA Code § 56-338.8
MCE950228 Brandywine Auto Sales Inc.
Alleged violation of VA Code § 56-304.1
MCE950229 Overall Atlantic Inc.
Alleged violation of VA Code § 56-304.1
MCE950230 Simmons Company-Fredericksburg
Alleged violation of VA Code § 56-304.2
MCE950231 Southland Container Inc. of Maryland
Alleged violation of VA Code § 56-304.2
MCE950232 Troy Towing Inc.
Alleged violation of VA Code § 56-304
MCE950233 W D C Inc.
Alleged violation of VA Code § 56-304
MCE950234 King George Drilling Service Inc.
Alleged violation of VA Code § 56-304
MCE950235 Wendall Transport Corp. of Virginia
Alleged violation of VA Code § 56-304
MCE950236 Lacy, Edwin, Jr. t/a Ed Lacy Trucking
Alleged violation of VA Code § 56-304
MCE950237 Whitaker, Carl t/a Whitaker Trucking
Alleged violation of VA Code § 56-304
MCE950269 Drifter Interstate Inc.
Alleged violation of VA Code § 56-288
MCE950270 Knopf, David Sean
Alleged violation of VA Code § 56-288
MCE950271 AES Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE950272 Linmar Trucking Inc.
Alleged violation of VA Code § 56-304
MCE950273 Fuller Stolle Manufacturing
Alleged violation of VA Code § 56-304.1
MCE950274 Baker Leasing Co. Inc. t/a Baker Roofing Company
Alleged violation of VA Code § 56-304.1
MCE950275 Smith, William V. et al. t/a J & K Leasing
Alleged violation of VA Code § 56-304.1
MCE950276 Clark, James A., Jr.
Alleged violation of VA Code § 56-304.1
MCE950277 JVC Enterprises Inc.
Alleged violation of VA Code § 56-304.2
MCE950278 Standard Boat Co. Inc.
Alleged violation of VA Code § 56-304.2

MCE950279 Health Care Suppliers Inc.
Alleged violation of VA Code § 56-304.2
MCE950280 Arthur Construction Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE950281 Fairfax Hydrocrane Company
Alleged violation of VA Code § 56-304.2
MCE950404 Monroe, Hartwell Gary t/a Monroe Trucking
Alleged violation of VA Code § 56-288
MCE950405 Atlantic States Materials Corp.
Alleged violation of VA Code § 56-288
MCE950406 Patriot Relocation Services Inc. t/a Valley Relocation & Storage
Alleged violation of VA Code § 56-288
MCE950407 Jung, Wayne Evan
Alleged violation of VA Code § 56-288
MCE950408 Whiteford Construction Co. Inc.
Alleged violation of VA Code § 56-288
MCE950409 Whiteford Construction Co. Inc.
Alleged violation of VA Code § 56-288
MCE950410 Boston Coach-Washington Corp.
Alleged violation of VA Code § 56-304
MCE950411 Thompson Trucking Inc.
Alleged violation of VA Code § 56-304
MCE950412 Incendere Inc.
Alleged violation of VA Code § 56-304
MCE950413 Barker, Paul M. t/a P & J Trucking
Alleged violation of VA Code § 56-304
MCE950414 Marinho, Antonio
Alleged violation of VA Code § 56-304
MCE950415 Parker Service Co. Inc.
Alleged violation of VA Code § 56-304
MCE950416 Hogges, Kenneth
Alleged violation of VA Code § 56-304.1
MCE950417 Beltway Paving Company
Alleged violation of VA Code § 56-304.1
MCE950418 Frank Pontari Inc. t/a Full Service Transport Div.
Alleged violation of VA Code § 56-304.1
MCE950419 Frank Pontari Inc. t/a Full Service Transport Div.
Alleged violation of VA Code § 56-304.1
MCE950420 Ashley, Joseph
Alleged violation of VA Code § 56-304.1
MCE950421 Tom Pappas Inc.
Alleged violation of VA Code § 56-304.2
MCE950422 Paramount Industrial Companies Inc. t/a Paramount Bedding Co.
Alleged violation of VA Code § 56-304.2
MCE950423 Oles Envelope Corporation
Alleged violation of VA Code § 56-304.2
MCE950424 Super Rite Foods Inc.
Alleged violation of VA Code § 56-304.2
MCE950425 Nabisco Inc.
Alleged violation of VA Code § 56-304.2
MCE950426 Real Hebert Et Fils Inc.
Alleged violation of VA Code § 56-304.1
MCE950427 Consolidated Food Service Companies, LP t/a Sandler Foods
Alleged violation of VA Code § 56-304.2
MCE950456 Thompson, Willard Christopher t/a Allstar Movers
Alleged violation of VA Code § 56-338.8
MCE950457 Great Scott Moving, Inc.
Alleged violation of VA Code § 56-338.8
MCE950458 Omidpanah, Hooshang
Alleged violation VA Code §§ 56-338.111, et al.
MCE950459 Tony Ulisse & Associates, Inc.
Alleged violation of VA Code § 56-304
MCE950460 Central Delivery Service
Alleged violation of VA Code § 56-304
MCE950461 Victory Van Corporation
Alleged violation of VA Code § 56-304
MCE950462 Services International Inc.
Alleged violation of VA Code § 56-304
MCE950463 Gochenour, Robert t/a Waste Movers
Alleged violation of VA Code § 56-304

MCE950464 Williamson Produce Inc. t/a Williamson Trucking Co.
Alleged violation of VA Code § 56-304.1
MCE950465 Gradall Specialists Inc.
Alleged violation of VA Code § 56-304.1
MCE950466 C. A. Perry & Son Transit Inc.
Alleged violation of VA Code § 56-304.1
MCE950467 D.A.Y. Enterprises Inc.
Alleged violation of VA Code § 56-304.1
MCE950468 Horizon Freight Systems, Inc.
Alleged violation of VA Code § 56-304.1
MCE950469 Western Waterblasting Inc.
Alleged violation of VA Code § 56-304.1
MCE950470 Perrault, Sheryl t/a C. S. Perrault Transport
Alleged violation of VA Code § 56-304.1
MCE950471 J. E. Wood & Sons Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE950472 M & A Services, Inc.
Alleged violation of VA Code § 56-304.2
MCE950473 Barrett, Larry T. t/a Barrett's Trucking, Grading & Excavating
Alleged violation of VA Code § 56-304.2
MCE950474 Tobacco Contractors Inc.
Alleged violation of VA Code § 56-304.2
MCE950475 White, Ricky Lee
Alleged violation of VA Code § 56-304.2
MCE950476 BOC Group, Inc., The t/a Airco Gases
Alleged violation of VA Code § 56-304.2
MCE950515 Wingfield, Leon and Linda B.
Alleged violation of VA Code §§ 56-338.111 and 56-338.106
MCE950516 Wright, Michael H.
Alleged violation of VA Code § 56-304
MCE950517 Victory Van Corporation
Alleged violation of VA Code § 56-304
MCE950518 Blizzard, Timothy A.
Alleged violation of VA Code § 56-304.1
MCE950519 Pallets Unlimited Inc.
Alleged violation of VA Code § 56-304.2
MCE950520 Peterbilt of Dunn, Inc.
Alleged violation of VA Code § 56-304.2
MCE950521 Warren Royster & Son, Inc.
Alleged violation of VA Code § 56-304.2
MCE950523 Aid Van, Inc.
Alleged violation of VA Code § 56-278
MCE950534 Zimmerman, David and Kiran K. t/a The Man With the Van and His Trucks
Alleged violation of VA Code § 56-288
MCE950535 Summ Recovery & Collection Inc. t/a Alert Towing
Alleged violation of VA Code § 56-304

MCS: MOTOR CARRIER DIVISION - RATES AND TARIFFS

MCS940112 Luxury Limousine Service, Inc.
For suspension of limousine certificate No. LM-116
MCS940187 Reserved Royal Rides Inc.
For certificate as a limousine carrier
MCS940191 Atlantic Coach Inc.
For certificate as a special or charter party carrier by motor vehicle
MCS950001 Loudoun Travel Ltd.
Alleged violation of VA Code § 56-300
MCS950003 Carefree Tour & Travel, Inc.
Alleged violation of VA Code § 56-300
MCS950004 Williams, Larry L.
For certificate as a common carrier of passengers by motor vehicle
MCS950005 Thomas, Captain Rudy
For cancellation of certificate No. SS-W-3 as a sight-seeing and special or charter party carrier by boat
MCS950006 Linares, Miguel A.
For certificate as a limousine carrier
MCS950007 Franklin Charter Bus, Inc., Transferor and Franklin Motor Coach, Inc., Transferee
To transfer certificate No. B-257 as a special or charter party carrier by motor vehicle
MCS950008 Washington, Virginia/Maryland Coach Co. Inc., Transferor and Franklin Motorcoach, Inc., Transferee
To transfer certificate as a special or charter party carrier No. A-10

MCS950009 Franklin Charter Bus, Inc., Transferor and Franklin Motor Coach, Inc., Transferee
To transfer certificate as a common carrier of passengers over regular routes No. P-2604
MCS950010 Bly, Belden
For reinstatement of certificate No. LM-35
MCS950011 Godlerich, Inc. t/a Victorious Limousine
For certificate as a limousine carrier
MCS950012 Hale, Ronald W.
Alleged violation of VA Code § 56-300
MCS950013 Taba Limousine, Inc.
For certificate as an executive sedan carrier
MCS950014 Carter, Maybelle H.
For cancellation of certificate No. LM-24
MCS950015 Signature Limousine Service Inc.
For certificate as a limousine carrier
MCS950016 Brown's Limousine Inc.
For certificate as a limousine carrier
MCS950017 Neustadter, Allan t/a Choice Limousine & Sedan Service
For certificate as a limousine carrier
MCS950018 Barnes & Barnes Transportation Services Inc.
For certificate as an executive sedan carrier
MCS950019 Abedrabbo, Samir
For certificate as an executive sedan carrier
MCS950020 AES Limousine Service Inc.
For certificate as an executive sedan carrier
MCS950021 Marvel, David E.
For certificate as an executive sedan carrier
MCS950022 Dafre Inc.
For certificate as a common carrier of passengers by motor vehicle over irreglar routes
MCS950023 Alliance Moving & Storage Co. Inc., Transferor and Eureka Van & Storage Co., Inc., Transferee
To transfer certificate as a household goods carrier No. HG-407
MCS950024 Hughson, Virginia S. and Via, Louise M., Transferor and Rainbow Tour & Travel Inc., Transferee
To transfer license to broker transportation of passengers
MCS950025 Limo Express Inc.
For certificate as a limousine carrier
MCS950026 Limo Express Inc.
For certificate as an executive sedan carrier
MCS950027 Uni-Ameri-Can Ltd.
For cancellation of broker's license No. B-139
MCS950028 Security Plus, Inc.
For suspension of certificate No. LM-273
MCS950029 Omidpanah, Hooshang
Alleged violation of VA Code § 56-300
MCS950030 Conference Center Interests Inc.
Alleged violation of VA Code § 56-300
MCS950031 Pastor, Consolacion Asuncion
For certificate as an executive sedan carrier
MCS950032 Lindsey, Howard A.
For certificate as an executive sedan carrier
MCS950033 Manassas Cab Company
For certificate as an executive sedan carrier
MCS950034 Burton, Robert E. t/a Burton Transportation
For certificate as an executive sedan carrier
MCS950035 Abdelhadi, Atef I. t/a Hadi Limousine Company
Alleged violation of VA Code § 56-300
MCS950036 Shamim's Sons Inc.
For certificate as an executive sedan carrier
MCS950037 Milton, Ballard Henry, Transferor and Thompson, Willard C., d/b/a All Star Movers, Transferee
To transfer certificate as a household goods carrier No. HG-77
MCS950038 Allen, Bruce
For cancellation of certificate No. LM-309
MCS950039 Williamsburg Classic Limousine, Inc.
For suspension of certificate No. LM-77
MCS950040 Hayat, Umar and Iqbal, Azhar t/a Prime Executive Service, Inc.
To transfer certificate as an executive sedan carrier
MCS950041 Interstate Van Lines Inc.
For certificate as a common carrier of passengers by motor vehicle over regular routes
MCS950043 Encore Limousine Inc.
For certificate as a limousine carrier
MCS950044 Siahpoush, Ali t/a Destination Sedan Services
For certificate as an executive sedan carrier

MCS950045 Linett, Michael
For certificate as an executive sedan carrier
MCS950046 Gallop Bus Lines, Ltd.
For certificate as a common carrier of passengers by motor vehicle over regular route
MCS950047 Wet Connection Corporation t/a Star City Limo Service
For certificate as a limousine carrier
MCS950048 Haley, Charles Ross
For certificate as a limousine carrier
MCS950049 Image Tours
For license to broker transportation of passengers by motor vehicle
MCS950050 T. W. Mayton Transfer Company Inc., Transferor and Mason Moving & Storage, Inc., Transferee
To transfer certificate as a household goods carrier No. HG-97
MCS950051 L.A. Sheffield Transfer & Storage, Inc., Transferor and Tanner International Forwarding, Inc., Transferee
To transfer certificate as a household goods carrier No. HG-277
MCS950052 National Coach Works Inc. of Virginia
For certificate as a sight-seeing carrier of passengers by motor vehicle
MCS950053 1-Mill Unlimited, Inc.
Alleged violation of VA Code § 56-300
MCS950054 Face Limousine & Tour Service Inc.
For certificate as a limousine carrier
MCS950055 AES Limousine Service Inc.
For certificate as a special or charter party carrier by motor vehicle
MCS950056 Transportation Management Services, Inc.
For certificate as a special or charter party carrier by motor vehicle
MCS950057 J. Carl Smith, Ltd.
Alleged violation of VA Code § 56-300
MCS950058 Kupiec, Dennis E. t/a Star Transport & Limo
For certificate as a limousine carrier
MCS950059 Ground Transportation Specialists, Inc.
For certificate as a special or charter party carrier by motor vehicle
MCS950060 Eagle Airport Express Inc.
For certificate as a limousine carrier
MCS950061 New World Tours, Inc.
For certificate as a special or charter party carrier by motor vehicle
MCS950062 D.A.Y. Enterprises, Inc., Transferor and New World Tours, Inc., Transferee
To transfer portion of certificate as special or charter party carrier No. B-411
MCS950063 Tri-State Casino Tours, Inc. of Virginia, Transferor and New World Tours, Inc., Transferee
To transfer certificate as special or charter party carrier No. B-380
MCS950064 Tri-State Casino Tours, Inc. of Virginia, Transferor and New World Tours, Inc., Transferee
To transfer certificates as common carrier of passengers Nos. P-2585 and P-2603
MCS950065 Neon Limousine, Inc.
For certificate as an executive sedan carrier
MCS950066 Capital Tours & Transportation (Virginia), Inc.
For certificate as a common carrier of passengers by motor vehicle over irregular route
MCS950067 Luxury Limousine, Ltd.
For certificate as an executive sedan carrier
MCS950068 Martin, Clifton D. d/b/a Martin Transit
For certificate as a common carrier of passengers by motor vehicle
MCS950069 Martin, Clifton D. d/b/a Martin Transit
For certificate as a special or charter party carrier by motor vehicle
MCS950070 Recreational Concepts, Inc.
For certificate as a sight-seeing carrier and special or charter party carrier by boat
MCS950072 City of Hopewell, The
For certificate as a sight-seeing and special or charter party carrier by boat
MCS950073 Buddy's Restaurant & Lounge Inc.
For certificate as a limousine carrier
MCS950074 University Limousine of Charlottesville, Inc.
For certificate as a limousine carrier
MCS950075 All Occasions Limousine Inc.
For certificate as a limousine carrier
MCS950076 Artutis, Richard D.
For certificate as a limousine carrier
MCS950077 Dulles Taxi, Sedan & Limo Co.
For certificate as a limousine carrier
MCS950078 Ramey Transportation Services Inc. t/a Ramey Limousine Service
For certificate as an executive sedan carrier
MCS950079 Dafre, Inc.
For certificate as an executive sedan carrier
MCS950080 Ngauy, Long Nguon
For certificate as an executive sedan carrier

MCS950081 Eagle Airport Express Inc.
For certificate as an executive sedan carrier
MCS950082 University Limousine of Charlottesville, Inc.
For certificate as an executive sedan carrier
MCS950083 Weldon's Funeral Home t/a Weldon's Limousine Service
To transfer certificate as a limousine carrier
MCS950084 Geda, Fisseha
To transfer certificate No. LM-262
MCS950085 Pro, Inc.
For certificate as a limousine carrier
MCS950087 Barrats, Inc.
For certificate as a limousine carrier
MCS950089 Allure Limousine Services Inc.
For certificate as a limousine carrier
MCS950091 Powell, Tyrone t/a Excel Limousine Service
To transfer certificate as a limousine carrier
MCS950093 Boyd, James H.
For cancellation of limousine carrier certificate No. LM-39

PST: DIVISION OF PUBLIC SERVICE TAXATION

PST920007 Louisa County
For review and correction of assessments
PST930001 Louisa County
For review and correction of assessments

PUA: DIVISION OF PUBLIC UTILITY ACCOUNTING

PUA940041 GTE South, Inc.
For waiver and authority to amortize certain costs associated with reacquisition
PUA940047 Central Telephone Co. of Virginia
For authority to loan or advance funds to Sprint Corp.
PUA940051 Reston/Lake Anne Air Conditioning Corp.
For approval of affiliates agreements
PUA940054 Shenandoah Telephone Co.
For authority to loan funds to parent
PUA940060 Central Telephone Co. of Virginia
For approval of service agreement with Centel Corp.
PUA940061 Bell Atlantic - Virginia, Inc.
For authority to provide certain data center services to Bell Atlantic Network
PUA940062 Bell Atlantic - Virginia, Inc.
For authority to continue to provide warehousing services to BA-Maryland
PUA940063 United Cities Gas Company
For approval of revised storage agreements
PUA940064 United Cities Gas Co.
For approval to enter into two leases with affiliate
PUA940065 United Cities Gas Co.
For approval of lease agreement with UCG Energy Corp.
PUA950001 Virginia Natural Gas Inc.
For authority to enter into aerial patrol agreement
PUA950002 GTE South, Incorporated
For authority to enter into operating agreement with affiliates
PUA950003 Oak Hill Water Company
For approval of affiliate agreement
PUA950004 United Telephone-Southeast Inc.
For authority to provide to or purchase from affiliates certain goods and services
PUA950005 Central Telephone Co. of Virginia
For authority to provide to or purchase from affiliates certain goods and services
PUA950007 Potomac Edison Company, The
For approval to enter into tax allocation agreement
PUA950008 Central Telephone Co. of Virginia
For retroactive approval of service agreement
PUA950009 United Telephone-Southeast Inc.
For approval of tower space and attachment agreement with Telespectrum of Virginia Inc.
PUA950010 Virginia Pilot Association
To revise rates of pilotage and other charges
PUA950011 GTE South Inc., et al.
For approval of affiliate agreements
PUA950012 GTE South, Inc.
For approval of affiliate agreements with GTE Leasing Corp. and GTE Service Corp.

PUA950013 CFW Communications Co., et al.
For approval of an amended affiliates agreement
PUA950014 Potomac Edison Company, The
For approval of construction and meter reading agreement with West Penn Power Co.
PUA950015 Virginia Electric & Power Co.
Joint petition for authority to sell public service corporation property
PUA950016 United Telephone-Southeast Inc.
For authority to transfer cellular operations to an affiliate
PUA950017 Appalachian Power Company
For approval of agreement to indemnify buyer regarding sale of mining assets
PUA950018 Hoges Chapel Water Service Corp.
For authority to transfer utility assets to Giles County
PUA950019 Dale Service Corporation
For approval of lease agreement with Interstate Investment, Inc., et al.
PUA950020 Virginia Natural Gas, Inc.
For authority to contract for landfill gas supply with CNG Energy Services Corp.
PUA950021 Washington Gas Light Company and Delmarva Power & Light Company
For approval of certain affiliate transactions
PUA950022 United Telephone-Southeast Inc.
For approval of agency agreement with affiliate, United Telephone Co. of Florida
PUA950023 Central Telephone Co. of Virginia
For approval of affiliate agreement with United Telephone Co. of Florida
PUA950024 Washington Gas Light Company
For authority to merge subsidiary with and into parent
PUA950025 Commonwealth Gas Services, Inc.
For approval of certain gas supply - related service agreements
PUA950026 Virginia-American Water
For approval of a lease agreement with affilate
PUA950027 Washington Gas Light Company
For approval of a services agreement
PUA950028 Virginia Electric & Power Co.
For approval of agreement with Virginia Power Fuel Corporation
PUA950029 Potomac Edison Co., The and Monongahela Power Co.
For approval of mail payment processing arrangement
PUA950030 Virginia Electric & Power Co. and Rappahannock Electric Cooperative
For authority to sell public service corporation property
PUA950031 Virginia Electric & Power Co. and Rappahannock Electric Cooperative
For authority to transfer utility assets
PUA950032 United Telephone-Southeast Inc.
For approval of proposed space rental agreement
PUA950033 Central Telephone Co. of Virginia
For approval of proposed space rental agreement
PUA950034 GTE South Incorporated
For authority to enter into contact with affiliate
PUA950035 Virginia Natural Gas Inc.
For authority to contract for sale of released pipeline capacity with CNG
PUA950036 Toll Road Investors Partnership II, LP
For modification of certificate of authority to approve plan of refinancing
PUA950037 Bell Atlantic - Virginia, Inc.
For authority to participate with Bell Atlantic-MD and other Bell Atlantic telephone companies in centralized inventory agreement
PUA950038 United Cities Gas Co.
For approval of supplemental exhibit to aircraft equipment lease
PUA950039 United Cities Gas Co.
For approval of lease agreement with affiliate
PUA950040 Central Telephone Company of Virginia
For approval of directory assistance agreement with affiliate
PUA950041 Roanoke & Botetourt Telephone Co., et al.
For approval to enter into amended affiliates agreement
PUA950042 Potomac Edison Company, The
For authority to dispose of utility assets
PUA950043 Virginia Natural Gas, Inc.
For authority to contract with affiliate to offer term gas service to non-jurisdictional customers
PUA950044 Potomac Edision Co., The and Monongahela Power Co., and West Penn Power Co.
For approval of engineering and construction consolidation
PUA950045 Shenandoah Telephone Co.
For authority to add affiliate to agreement
PUA950046 Virginia Electric & Power Co. and City of Manassas, Virginia
For authority to sell public service corporation property
PUA950047 Virginia Natural Gas Inc. and CNG Energy Services, Corp.
For authority to modify contract for intermediate term firm gas supply service

PUA950048 Virginia Electric & Power Co.
For authority to dispose of utility assets
PUA950049 Old Dominion Electric Cooperative
For authority to dispose of and to acquire utility assets
PUA950050 Virginia Electric & Power Co.
For authority to procure and administer insurance programs
PUA950051 Virginia Electric & Power Co.
For authority to administer employee benefit plans
PUA950055 Clifton Forge-Waynesboro Telephone Co., et al.
For approval to enter into affiliate agreement
PUA950056 United Cities Gas and United Cities Gas Storage
For approval of transactions pursuant to affiliates act
PUA950057 Central Telephone Co. of Virginia
For authority to advance funds to parent, Central Telephone Company
PUA950058 Central Telephone Co. of Virginia
For authority to advance funds to parent, Sprint Corporation
PUA950059 United Telephone-Southeast, Inc.
For authority to advance funds to affiliate, Sprint Corporation
PUA950060 GTE South Inc. and GTE Mobile Communications Corp., et al.
For approval of an affiliate agreement
PUA950061 Clifton Forge-Waynesboro Telephone Co. and CFW Cellular Inc.
For approval of an affiliates agreement
PUA950062 Potomac Edison Company, The
For authority to dispose of utility assets
PUA950063 GTE South Inc. and GTE Service Corporation, et al.
For approval of an affiliate agreement
PUA950064 GTE South Incorporated
For approval of an affiliates agreement
PUA950065 Shenandoah Telephone Co. and Shenandoah Telecommunications Co.
For approval to lend short term funds
PUA950066 Toll Road Investors Partnership II, L.P.
For a reduction in toll rates
PUA950067 Tidewater Water Co., et al.
For authority to dispose of and acquire utility assets

PUC: DIVISION OF COMMUNICATIONS

PUC940045 Bell Atlantic - Virginia, Inc.
To implement extended local service from Stone Mountain exchange to Centel's Burnt Chimney exchange
PUC940050 Bell Atlantic - Virginia, Inc.
For revenue neutral rate changes pursuant to Paragraph 8 of BA-VA Plan for Alternative Regulation
PUC940051 Sprint Communications Co. L.P.
For authority to offer non-tariffed competitive pricing arrangements
PUC950001 Bell Atlantic - Virginia, Inc.
To implement extended local service from Salem exchange to Troutville exchange
PUC950002 Roanoke & Botetourt Telephone Co.
To implement extended local service from Oriskany exchange to Fincastle and Troutville exchanges
PUC950003 Bell Atlantic - Virginia, Inc.
To implement community choice plan among various telephone exchanges
PUC950004 GTE South, Inc.
To classify 911 PSAP equipment, CentraNet Automatic Call Distribution/Management Information System, and CentraNet's Direct Station Select/Busy Lamp Field and MBS interactive Display as Competitive
PUC950005 Bell Atlantic - Virginia, Inc.
To classify its prepaid debit card long-distance calling service as competitive
PUC950007 Central Telephone Company of Virginia
1994 Annual informational filing
PUC950008 Bell Atlantic - Virginia, Inc.
1994 Annual informational filing
PUC950009 GTE South Inc. Southwest)
1994 Annual informational filing
PUC950010 GTE South Inc. (Contel)
1994 Annual informational filing
PUC950011 United Telephone-Southeast
1994 Annual informational filing
PUC950013 Central Telephone Co. of Virginia
To implement extended local service between Burkeville and Farmville exchanges
PUC950015 Wiltel of Virginia Inc.
To amend certificate to reflect new corporate name
PUC950016 Citizens Telephone Cooperative
For authority to expand extended local service from Locust Grove to Christiansburg, VA

PUC950017 Bell Atlantic - Virginia, Inc.
To classify its Optimail service as competitive
PUC950018 Ex Parte: Investigation
In matter of investigating local exchange telephone competition including adopting rules
PUC950019 GTE South Incorporated
For revisions to local exchange, access and intralata long distance rates
PUC950023 American Telecom Group Inc.
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950024 ALN Enterprises
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950025 Atlantic Courtesy Phones
Alleged violation of VA Code §§ 56-508.15 and 56-508.16
PUC950026 B.E.S., Inc.
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950027 Bain Telecommunications
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950028 BBB Investment of Virginia
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950029 Big Byte Enterprises, Inc.
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950030 Columbia Communications
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950031 Freckles' Restaurant
Alleged violation of VA Code §§ 56-5083.15 and 56-508.16
PUC950032 Halifax Corporation
Alleged violation of VA Code §§ 56-508.15 and 56-508.16
PUC950033 Bulls, Leatrice A.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16
PUC950034 Adams, Jack
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950035 Parina, Inc.
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950036 Payphones Unlimited
Alleged violation of VA Code §§ 56-508.15 and 56-508.16
PUC950037 Clean Machine Laundromat Inc.
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950038 Spartan Health Club Inc.
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950039 Jalils's Communications Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16
PUC950040 Phonstop, Inc., The
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950041 VA Tel-Tec
Alleged violation of VA Code §§ 56-508.15 and 56-508.16
PUC950042 Quartercall Communications Inc.
Alleged violation of VA Code §§ 56-508.15 and 56-508.16
PUC950043 Cable, Jearald D. d/b/a Tobacco Company Associates
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950044 Public Service Corporation
Alleged violation of VA Code §§ 56-508.15 and 56-508.16
PUC950045 Shannon-Chris Corp. t/a Cowboys
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950046 Raiford Communications
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950047 Johnson's Charcoal Beef House
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950048 Hudson, M., Stark, D. and Kimbrough, Denny
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950050 Bell Atlantic - Virginia, Inc.
For declaratory judgment interpreting Paragraph 8 of BA-VA Plan for Alternative Regulation
PUC950052 GTE South, Inc.
To implement extended local service from Richlands exchange to Bell Atlantic's Honaker Exchange
PUC950059 Citizens Telephone Cooperative
For expansion of local calling area of Floyd and Christiansburg exchange
PUC950061 United Telephone - Southeast, Inc.
For authority to offer advanced business connection service
PUC950062 Ex Parte: Radio Common Carriers
Deregulation of radio common carriers and cellular mobile radio communications carriers
PUC950063 United Telephone-Southeast Inc.
For tariff revisions pursuant to Paragraph 8A of Alternative Regulatory Plan

PUC950064 Hyperion Telecommunications of Virginia, Inc.
For certificate to provide interexchange telecommunications services
PUC950065 Bell Atlantic - Virginia, Inc.
To implement extended local service between Jonesville exchange and St. Charles exchange
PUC950066 United Tele-Systems of Virginia Inc.
Alleged violations of pay telephone service rules
PUC950067 Bell Atlantic - Virginia, Inc.
For approval to reclassify intralata toll services as competitive
PUC950068 GTE South Incorporated
For approval to implement extended local service from Bluefield exchange to Pocahontas exchange
PUC950069 Orbital Technologies Inc.
Alleged violation of VA Code §§ 56-508.15, et al.
PUC950070 Bell Atlantic - Virginia, Inc.
To implement extended local service from Christianburg exchange to Locust Grove exchange of Citizens Telephone Cooperative
PUC950071 Central Telephone Co. of Virginia
To implement extended local service from Front Royal exchange to Washington exchange
PUC950072 MCImetro Access Transmission Service of Virginia, Inc.
To amend certificate to reflect new corporate name
PUC950073 GTE South, Inc. v. Metropolitan Washington Airports Authority
For declaratory judgment and injunctive relief
PUC950074 Bell Atlantic - Virginia, Inc.
For approval of voice activated speed calling service
PUC950075 Central Telephone Co. of Virginia
To offer new optional centrex feature as competitive service
PUC950076 Winstar Wireless of Virginia Inc.
For certificate to provide intrastate private line telecommunications services
PUC950077 Bell Atlantic - Virginia, Inc.
For approval to implement extended local service from Roanoke to Sprint/Centel's Boones Mill exchange
PUC950078 Ex Parte: Investigation
Investigation of pricing and provisioning of residential integrated services digital network offered by Bell Atlantic - Virginia, Inc.
PUC950079 Bell Atlantic - Virginia, Inc.
To implement extended local service between Roanoke exchange and Shawsville exchange
PUC950080 Ex Parte: Investigation
In the matter of investigating resale of local exchange telephone service
PUC950081 Ex Parte: Investigation
In the matter of investigating universal local exchange telephone service
PUC950082 MFS Intelenet of Virginia Inc.
For certificate to provide local exchange telecommunications service
PUC950083 MCImetro Access Transmission Services of Virginia, Inc.
For certificate to provide local telecommunications services

PUE: DIVISION OF ENERGY REGULATION

PUE940080 Virginia Electric & Power Co.
For approval of experimental real time pricing rate schedule
PUE950001 Virginia Natural Gas, Inc.
For approval of modification to certificate No. GT-59
PUE950002 Virginia Natural Gas, Inc.
For approval of modification to certificate to build pipeline
PUE950003 Virginia-American Water Co.
For general increase in rates
PUE950004 Potomac Edison Company, The
To revise its fuel factor pursuant to VA Code § 56-249.6
PUE950005 Central Water Systems Inc.
For certificate to provide water service in Isle of Wight county
PUE950006 Washington Gas Light Company
For waiver of Section I(9) of the Commission's rate case rules
PUE950007 Potomac Edison Company, The
To revise cogeneration tariff pursuant to Purpa § 210
PUE950008 United Cities Gas Company
For general increase in rates
PUE950009 Bastian Water Works
For certificate to provide water service to Town of Bastian in Bland County, VA
PUE950010 Steve Shortt Excavating
Alleged violation of VA Code § 56-265.17
PUE950011 P.D.C., Inc.
Alleged violation of VA Code § 56-265.24
PUE950012 Burleigh Construction, Inc.
Alleged violation of VA Code § 56-265.17(B)

PUE950013 Potomac Edison Company, The
For withdrawal of application for certificate to locate rebuilt 34.5 kV Hazel substation
PUE950014 Amvest Oil & Gas Inc.
Notification of intent to furnish gas services to Buster Brown Apparel, Inc.
PUE950015 Appalachian Power Company
For determination of scope of territory served
PUE950017 Virginia Electric & Power Co.
Petition for declaratory judgment
PUE950018 Delmarva Power & Light Co.
For extension of time to file 1994 annual informational filing
PUE950019 Southwestern Virginia Gas Co.
For general increase in rates and to revise tariffs
PUE950020 Virginia Electric & Power Co.
For modification of underground electric service Plan F
PUE950021 Kentucky Utilities Co. d/b/a Old dominion Power
1994 Annual informational filing
PUE950022 Virginia Natural Gas Inc.
For waiver of gas pipeline safety requirements found in 49 C.F.R. Part 193
PUE950024 Lundie Utilities, Inc.
For approval of rate increase
PUE950025 Brothers Signal Co. Inc., The
Alleged violation of VA Code § 56-265.32
PUE950026 Fencing, Christopher
Alleged violation of VA Code § 56-265.32
PUE950027 J. Steven Chafin, Inc.
Alleged violation of VA Code § 56-265.17
PUE950028 P.D.C., Inc.
Alleged violation of VA Code § 56-265.17
PUE950029 Rountree Construction
Alleged violation of VA Code § 56-265.17
PUE950030 T&H Electrical Corporation
Alleged violation of VA Code § 56-265.17
PUE950031 Virginia Electric & Power Co.
1994 Annual informational filing
PUE950032 Delmarva Power & Light Co.
For no net change in fuel rate
PUE950033 Commonwealth Gas Services, Inc.
For general increase in natural gas rates
PUE950034 Tri-City Industrial Builders
Alleged violation of VA Code § 56-265.17
PUE950035 H. F. Robbins, Jr. Construction Company
Alleged violation of VA Code § 56-265.17
PUE950036 Struniak Construction Inc.
Alleged violation of VA Code § 56-265.17(C)
PUE950037 Byrd Construction
Alleged violation of VA Code § 56-265.17
PUE950038 Tri-City Industrial
Alleged violation of VA Code § 56-265.24(A)
PUE950039 White Oak Excavating
Alleged violation of VA Code § 56-265.17(A)
PUE950040 Mantzaros, Tom d/b/a Metropolitan Tree & Excavating
Alleged violation of VA Code § 56-265.17(A)
PUE950041 Adams Construction Co.
Alleged violation of VA Code § 56-265.17
PUE950042 M. E. Wilkins, Inc.
Alleged violation of VA Code §§ 56-265.24(A), et al.
PUE950043 M. E. Wilkins, Inc.
Alleged violation of VA Code § 56-265.24(A)
PUE950044 Fort Meyers Construction
Alleged violation of VA Code § 56-265.17(B)
PUE950045 H. D. Jones Construction
Alleged violation of VA Code § 56-265.17(A)
PUE950046 Art-Ray Corporation
Alleged violation of VA Code § 56-265.24(A)
PUE950047 Pizzagalli Construction
Alleged violation of VA Code § 56-265.17(A)
PUE950048 McLeod Electrical
Alleged violation of VA Code § 56-265.17(A)
PUE950049 Tracy F. Lane Inc.
Alleged violation of VA Code § 56-265.17(A)

PUE950050	Sowers Construction Co. Alleged violation of VA Code § 56-265.17(A)
PUE950051	Roanoke Electric Works Alleged violation of VA Code § 56-265.17(A)
PUE950052	Roanoke Gas Co. 1994 Annual informational filing
PUE950053	Amvest Oil & Gas Inc. To furnish gas service pursuant to VA Code § 56-265.4:5
PUE950054	Virginia Natural Gas, Inc. For approval of pilot program to promote installation of high efficiency gas heating and cooling equipment
PUE950055	Potomac Edison Company, The 1994 Annual informational filing
PUE950056	Po River Water & Sewer Co. For approval of revised rates, rules and regulations
PUE950057	Virginia Electric & Power Co. To amend certificates authorizing operation of transmission lines and facilities in Rockbridge and Alleghany counties
PUE950058	Shenandoah Gas Co. For authority to increase rates and charges for gas and to revise tariffs
PUE950059	A&N Electric Cooperative For approval of excess facilities tariff "Schedule EF"
PUE950060	Ex Parte: Investigation Investigation of spent nuclear fuel disposal
PUE950061	Virginia Electric & Power Co. For authorization to defer filing of proposed payments to small qualifying facilities
PUE950062	C&P Isle of Wight Water Co. For certificate to provide water service
PUE950063	Virginia Electric & Power Co. For authority to close Schedule SG, CS and Rider J
PUE950064	Ash Excavating Alleged violation of VA Code § 56-265.17(A)
PUE950065	Bishop & Settle Alleged violation of VA Code § 56-265.17(A)
PUE950066	C.P.G., Inc. Alleged violation of VA Code § 56-265.17(A)
PUE950067	Guard Rail, Inc. Alleged violation of VA Code § 56-265.17(B)
PUE950068	Paragon Electric Alleged violation of VA Code § 56.265.17(A)
PUE950069	Transportation Safety, Inc. Alleged violation of VA Code § 56-265.17(C)
PUE950070	Via Satellite Alleged violation of VA Code § 56-265.17(A)
PUE950071	Virginia Natural Gas, Inc. For modification to certificate No. GT-62
PUE950072	Virginia Electric & Power Co. Alleged violation of VA Code § 56-265.17(B)
PUE950073	S. W. Rodgers Contracting Company Inc. Alleged violation of VA Code § 56-265.17(B)
PUE950074	S. W. Rodgers Contracting Company Inc. Alleged violation of VA Code § 56-265.24(A)
PUE950075	Buchanan & Rice Alleged violation of VA Code § 56-265.24(C)
PUE950076	G & H Contracting Alleged violation of VA Code § 56-265.17(B)
PUE950077	Newport News Cablevision Alleged violation of VA Code § 56-265.17(A)
PUE950078	Star Contracting Company Alleged violation of VA Code § 56-265.17(A)
PUE950079	Cochran Construction Company Alleged violation of VA Code § 56-265.17(A)
PUE950080	Fort Myer Construction Alleged violation of VA Code § 56-265.17(B)
PUE950081	Virginia Natural Gas, Inc. For an expedited increase in gas rates
PUE950082	Fralin & Waldron, Inc. Alleged violation of VA Code § 56-265.17(A)
PUE950083	Randolph Snead, Inc. Alleged violation of VA Code § 56-265.17(A)
PUE950084	Scott's Backhoe Service Alleged violation of VA Code § 56-265.17(B)

PUE950085 Virginia Natural Gas, Inc.
Alleged violation of VA Code § 56-265.19(A)

PUE950086 Fox Run Water Company, Inc.
For certificate to furnish and supply water systems

PUE950087 West Rockingham Water Company Inc.
For certificate to provide water service

PUE950088 Virginia Electric & Power Co.
For approval of Short Pump-Motorola/North Pole-Motorola 230 kV transmission line

PUE950089 Ex Parte: Competition
In the matter of reviewing and considering Commission policy regarding restructuring of and competition in the electric utility industry

PUE950090 Appalachian Power Company
For extension of time to make annual informational filing

PUE950091 Po River Water & Sewer Co.
For approval of revised rates, rules, and regulations

PUE950092 Commonwealth Gas Services Inc.
Alleged violation of VA Code § 56-5.1

PUE950094 Virginia Electric & Power Co.
To revise its fuel factor pursuant to VA Code § 56-249.6

PUE950095 Virginia Electric & Power Company and City of Manassas, Virginia
For authority to sell public service corporation

PUE950096 Bay Development
Alleged violation of VA Code § 56-265.24(A)

PUE950097 Westover, Denise, et al. v. T-L Water Company
For increase in water rates

PUE950099 Equitable Resources Energy Company
To furnish gas service pursuant to VA Code § 56-265.4:5

PUE950100 Amvest Oil & Gas Inc.
To furnish gas service pursuant to VA Code § 56-265.4:5

PUE950101 T-L Water Company
To amend certificate No. W-259 to include Green Mountain Lake subdivision

PUE950102 Bell Atlantic - Virginia, Inc.
Alleged violation of VA Code § 56-265.19(A)

PUE950103 Dixon Contracting, Inc.
Alleged violation of VA Code § 56-265.24(A)

PUE950104 Parker Oil Company, Inc.
Alleged violation of VA Code § 56-265.17(B)

PUE950105 Quality Cable Contractors
Alleged violation of VA Code § 56-265.24(A)

PUE950106 Quality Cable Contractors
Alleged violation VA Code §§ 56.265.17(B), et al.

PUE950107 Quality Cable Contractors
Alleged violation of VA Code § 56-265.24(A)

PUE950108 Virginia Electric & Power Co.
Alleged violation of VA Code § 56-265.19(A)

PUE950109 Williamsburg Pottery Factory
Alleged violation of VA Code § 56-265.17(A)

PUE950110 Virginia Natural Gas
For waiver of gas pipeline safety requirements of 49 C.F.R. Part 193 (Subpart B)

PUE950112 Commonwealth Gas Services Inc.
For approval of a natural gas cooling DSM pilot program

PUE950113 Shenandoah Gas Company
For approval of natural gas vehicle service tariff and tariff changes

PUE950114 Bay Development
Alleged violation of VA Code § 56-265.17(A)

PUE950115 Bea Cable Company
Alleged violation of VA Code § 56-265.19(A)

PUE950116 Bradshaw, R. D.
Alleged violation of VA Code §§ 56-265.24(A), et al.

PUE950117 C & S Cable Company
Alleged violation of VA Code § 56-265.17(A)

PUE950118 Laramore Construction Co. Inc.
Alleged violation of VA Code § 56-265.24(A)

PUE950119 T & H Electric, Inc.
Alleged violation of VA Code § 56-265.24(C)

PUE950120 Wright, Carmal, et al. v. Sanville Utilities Corp.
For change in rates, rules and regulations

PUE950121 United Mine Workers of America v. Virginia Electric & Power Co.
For formal review and hearing

PUE950123 Bell Atlantic - Virginia, Inc.
Alleged violation of VA Code § 56-265.19(A)

PUE950124 Bell-Atlantic - Virginia, Inc.
Alleged violation of VA Code § 56-265.19(A)
PUE950125 Cherry Hill Construction
Alleged violation of VA Code § 56-265.17(a)
PUE950126 F. L. Showalter, Inc.
Alleged violation of VA Code § 56-265.17(A)
PUE950127 Virginia Electric & Power Co.
Alleged violation of VA Code § 56-265.19(A)
PUE950128 Virginia Electric & Power Co.
Alleged violation of VA Code § 56-265.19(A)
PUE950129 Virginia Natural Gas, Inc.
Alleged violation of VA Code § 56-265.19(A)
PUE950130 Virginia Natural Gas, Inc.
Alleged violation of VA Code § 56-265.19(A)
PUE950131 Virginia Electric & Power Co., et al.
For certificate for backup energy arrangement and revisions to RTP
PUE950132 Hoges Chapel Water Service Corp.
For cancellation of certificate No. W-182
PUE950133 Virginia Electric & Power Co. and A&C Enercom Acquisition
For approval of affiliate transactions

PUF: DIVISION OF ECONOMICS AND FINANCE

PUF950001 United Cities Gas Company
For authority to issue and sell common stock and/or debt securities
PUF950004 Craig-Botetourt Electric Cooperative
For authority to incur indebtedness
PUF950005 United Cities Gas Company
Investigation pursuant to VA Code § 56-65.1
PUF950006 Virginia Electric & Power Co.
For authority to issue first and refunding mortgage bonds
PUF950007 Potomac Edison Company, The
For authority to issue debt
PUF950008 Kentucky Utilities Co.
For authority to issue long-term debt
PUF950009 Virginia Electric & Power Co.
For authority to issue and sell medium-term notes-Series F
PUF950010 Virginia Electric & Power Co.
For authority to borrow under credit facility
PUF950012 Virginia Electric & Power Co.
For authority to establish a trust preferred securities financing facility
PUF950013 Southside Electric Cooperative
For authority to continue to participate in a loan program
PUF950014 Delmarva Power & Light Co.
For authority to assume obligations as a guarantor under a residential customer financing program
PUF950015 Washington Gas Light Co.
For authority to issue short-term debt and sell commercial paper to affiliates
PUF950016 Washington Gas Light Co. and Shenandoah Gas Co.
For authority to make and receive interest-bearing cash advances on open account
PUF950017 GTE South, Inc.
For authority to issue debt securities
PUF950018 Appalachian Power Company
For authority to issue debt securities
PUF950019 Virginia Gas Distribution Co.
For authority to incur indebtedness
PUF950020 Virginia Gas Storage Co.
For authority to incur indebtedness
PUF950022 Virginia Electric & Power Co.
For authority to lease equipment and machinery
PUF950023 Virginia-American Water Co.
For authority to issue debt and common stock
PUF950024 GTE South Incorporated
For authority to incur short-term indebtedness
PUF950025 United Cities Gas Company
For authority to incur short-term indebtedness
PUF950026 Virginia Gas Storage Co.
For authority to issue common stock
PUF950027 Roanoke Gas Company
For authority to issue shares of common stock

PUF950029 Commonwealth Gas Services Inc. and Columbia Gas System Inc.
For approval of intercompany financing for 1996
PUF950030 Appalachian Power Company
For authority to act as guarantor or surety for certain liabilities of subsidiaries
PUF950031 Appalachian Power Co.
For authority to receive cash capital contributions from an affiliate

RRR: DIVISION OF RAILROAD REGULATION

RRR950001 Norfolk Southern Railway Co.
For authority to close Culpeper, VA agency and place under jurisdiction of agency at Manassas, VA
RRR950002 CSX Transportation
For authority to consolidate agency at Hopewell, VA into its customer service center at Jacksonville, FL
RRR950003 Norfolk Southern Railway Co.
For authority to close Radford, VA agency and place under jurisdiction of agency at Roanoke, VA
RRR950004 Norfolk Southern Corporation
For authority to close Narrows, VA agency and place under jurisdiction of Roanoke, VA agency
RRR950005 Norfolk Southern Railway Co.
For authority to close South Boston mobile agency and place it under jurisdiction of agency at South Boston, VA

SEC: DIVISION OF SECURITIES AND RETAIL FRANCHISING

SEC940148 Ridgewood Securities Corp.
For offer of compromise and settlement
SEC950001 Olson & Associates Ltd.
For offer of compromise and settlement
SEC950002 American Flywheel Systems Inc.
For offer of compromise and settlement
SEC950003 Resun Leasing Inc.
For offer of compromise and settlement
SEC950004 Gilmore, Richard H., Jr. d/b/a Gilmore & Associates
For offer of compromise and settlement
SEC950005 Wilson/Bennett Capital Management, Inc.
For offer of compromise and settlement
SEC950006 Franklin-Lord Inc.
For offer of compromise and settlement
SEC950007 Asbury Services, Inc. and Asbury Methodist Homes, Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950008 Shultz, Scott Alan
Alleged violation VA Code §§ 13.1-504, et al.
SEC950009 Ark Securities Co., Inc.
For offer of compromise and settlement
SEC950010 Pra Securities Trust
For offer of compromise and settlement
SEC950011 Big Al's Franchising Inc.
For offer of compromise and settlement
SEC950012 Beacon Securities Inc.
For offer of compromise and settlement
SEC950013 Buckingham Oil Company Inc.
Alleged violation of VA Code §§ 13.1-504(A), et al.
SEC950014 Jolly, K. Douglas
Alleged violation of VA Code §§ 13.1-504, et al.
SEC950015 Northstar Capital Corp.
Alleged violation of VA Code §§ 13.1-504, et al.
SEC950016 Microtech Management Systems
Alleged violation of VA Code §§ 13.1-504, et al.
SEC950017 Trinity Assembly of God
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950018 Columbia Union Revolving Fund
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950019 Headley, Louis W., Jr. d/b/a Headley's Capital Investments
For offer of compromise and settlement
SEC950020 Ex Parte: Rules
Promulgation of rules pursuant to VA Code § 13.1-571
SEC950021 Ex Parte: Rules
Promulgation of rules pursuant to VA Code § 13.1-523
SEC950022 Hampton Roads Publishing Company, Inc.
For offer of compromise and settlement
SEC950023 Jeff Harris & Associates, Inc.
For offer of compromise and settlement

SEC950024 A N Culbertson & Company, Inc.
For offer of compromise and settlement
SEC950025 1st Equity International, et al.
Alleged violation of VA Code §§ 13.1-502, et al.
SEC950026 Voss & Co, Inc.
For offer of compromise and settlement
SEC950027 Sigma Financial, Inc.
For offer of compromise and settlement
SEC950028 St. Aidans Episcopal Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950029 Great Neck Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950030 Confair, Gregory S.
For offer of compromise and settlement
SEC950031 Worldwide Asset Inc. t/a Premier Capital Investment and Jason Smith
Alleged violation of VA Code § 13.1-504(A), et al.
SEC950032 SMR Energy Income Funds
For offer of compromise and settlement
SEC950033 Mason Securities Inc.
For offer of compromise and settlement
SEC950034 Cambridge Equity Advisors, Inc.
For offer of compromise and settlement
SEC950035 Burleson, Merrick Green, Sr. d/b/a Burleson Financial Strategies
For offer of compromise and settlement
SEC950036 Mineral Resources, Inc.
Alleged violation of VA Code §§ 13.1-504 and 13.1-507
SEC950037 Buck, William G., a/k/a Bill Buck
Alleged violation of VA Code §§ 13.1-504 and 13.1-507
SEC950038 Wheeler, Jeffrey
Alleged violation of VA Code §§ 13.1-504 and 13.1-507
SEC950039 Signet Financial Services Inc.
For offer of compromise and settlement
SEC950040 American Heritage Finance
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950041 Tatusko, Stephen Robert
For implementation of special supervisory procedures
SEC950042 Investors Security Co. Inc.
For offer of compromise and settlement
SEC950043 James River Capital Corp. Formerly KP Futures Management Corp.
For offer of compromise and settlement
SEC950044 Interaxx Television Network Inc.
For offer of compromise and settlement
SEC950045 Rhoades, Donald E.
For offer of compromise and settlement
SEC950046 Sycamore Presbyterian Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950047 Ralph Kaiser Co., Inc.
For offer of compromise and settlement
SEC950048 Gemza, Marian
For offer of compromise and settlement
SEC950049 Kaiser, Ralph D.
For offer of compromise and settlement
SEC950050 Money Strategies, Inc.
For offer of compromise and settlement
SEC950051 First Chesapeake Futures Corp.
For offer of compromise and settlement
SEC950052 Wallenborn, David Lawson
For offer of compromise and settlement
SEC950053 Brown, Robert Quincy
For implementation of special supervisory procedures
SEC950054 Constitution Capital Corp.
For implementation of special supervisory procedures
SEC950055 Western Maryland College Pooled Income Funds
For order of exemption pursuant to Code § 13.1-514.1.B
SEC950056 Combined Capitol Management
For offer of compromise and settlement
SEC950057 Coelho & Callahan
For offer of compromise and settlement
SEC950058 Graham, Robert Joseph
For offer of compromise and settlement

SEC950059 Riggs Asset Management Company, Inc.
For offer of compromise and settlement
SEC950060 Schoenke & Associates Securities Corporation
For offer of compromise and settlement
SEC950061 American Wealth Management Inc.
For offer of compromise and settlement
SEC950062 Commodity Express Corporation
Alleged violation of VA Code §§ 13.1-504, et el.
SEC950063 Ramseyer, Dave
Alleged violation of VA Code §§ 13.1-504, et al.
SEC950064 Continental Wireless Cable Television, Inc., et al.
Alleged violation of VA Code §§ 13.1-504(A), et al.
SEC950065 Pembrook Securities Inc.
For offer of compromise and settlement
SEC950066 Gintel & Co.
For offer of compromise and settlement
SEC950067 Enterprise Fund Distributors , Inc.
For offer of compromise and settlement
SEC950068 Crabbe Huson Securities Inc.
For offer of compromise and settlement
SEC950069 Regent University
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950070 New Hope Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950071 Callan Associates Inc.
For offer of compromise and settlement
SEC950072 J E Liss & Company Inc.
For offer of compromise and settlement
SEC950073 Capital Portfolio Management Inc.
For offer of compromise and settlement
SEC950074 Catholic United Investment Trust
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950075 Raffensperger, Hughes & Co., Inc.
For offer of compromise and settlement
SEC950076 Hillcrest Financial Corp.
For offer of compromise and settlement
SEC950077 W B McKee Securities, Inc.
For offer of compromise and settlement
SEC950078 Seaboard Securities, Inc.
For offer of compromise and settlement
SEC950079 Settlage, Pamela Reid d/b/a Settlage & Associates
For offer of compromise and settlement
SEC950080 First Hanover Securities Inc.
For offer of compromise and settlement
SEC950081 Trio Securities, Inc.
For offer of compromise and settlement
SEC950082 Mitchell Hutchins Asset Management Inc.
For offer of compromise and settlement
SEC950083 Mulherin, Michael John
For implementation of special supervisory procedures
SEC950084 Soll, Rowe, Price, Raffel & Browne Securities, Inc.
For offer of compromise and settlement
SEC950085 Jesup & Lamont Securities Corporation
For offer of compromise and settlement
SEC950086 Liquidity Financial Advisors Inc.
For offer of compromise and settlement
SEC950087 American Investors Company
For offer of compromise and settlement
SEC950088 A L Vail Investment Management
For offer of compromise and settlement
SEC950089 Shomo, Charles G.
For offer of compromise and settlement
SEC950090 Davis, Kenneth L.
For offer of compromise and settlement
SEC950091 Quesenberry, Donald E.
For offer of compromise and settlement
SEC950092 Cady, Raymond
For offer of compromise and settlement
SEC950093 Fairfax Church of Christ
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC950094	MFS Fund Distributors Inc. For offer of compromise and settlement
SEC950095	Signet Financial Services Inc. For offer of compromise and settlement
SEC950096	Loudoun Economic Development & Affordable Housing Foundation, et al. For official interpretation pursuant to VA Code § 13.1-525
SEC950097	Indian Acres Club of Thornburg Inc. v. Rachel V. Crowe Petition for cancellation of trademark registration
SEC950098	SSC Distribution Services Inc. For offer of compromise and settlement
SEC950099	Thoi Moi-Phu Nu Moi, Inc. a/k/a New Times - New Women, Inc. For offer of compromise and settlement
SEC950100	Schoolcraft, Charles A. For offer of compromise and settlement
SEC950101	Dung Van Vo, a/k/a Nguyen Viet Quang For offer of compromise and settlement
SEC950102	Antioch Baptist Church For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950103	Christian Klien & Cogburn Inc. For offer of compromise and settlement
SEC950104	Ally International Securities For offer of compromise and settlement
SEC950105	Michel Securities Ltd. For offer of compromise and settlement
SEC950106	Stratton Oakmont Inc. For offer of compromise and settlement
SEC950108	Rock Church For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950109	Fringe Benefit Investment Services Inc. For offer of compromise and settlement
SEC950110	Northern Virginia Hebrew Congregation For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950111	Kiperman, Neil Lewis For offer of compromise and settlement
SEC950112	RLM Financial Advisory Services, Ltd. For offer of compromise and settlement
SEC950113	Free Methodist Foundation For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC950114	Hamilton Securities Capital Markets, Inc. For offer of compromise and settlement
SEC950115	Knight, Christopher S. For offer of compromise and settlement
SEC950116	Fioie, Jr., Marco Guy For offer of compromise and settlement
SEC950117	Schmalz, Kurr Wilhelm For offer of compromise and settlement
SEC950118	Executive Consultants and Walter R. Worley, III For offer of compromise and settlement
SEC950119	Rushmore Investment Brokers Inc. For offer of compromise and settlement
SEC950120	Church Extension Plan For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC950121	Midlothian Baptist Church For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC950122	Skelly, Frank James III For offer of compromise and settlement
SEC950123	Clarke Lanzen Skalla Investment Firm, Inc. For offer of compromise and settlement