Ninety-Second Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 1994

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 1994*

To the Honorable George F. Allen

Governor of Virginia

Sir:

We have the honor to transmit herewith the ninety-second Annual Report of the State Corporation Commission for the year 1994.

Respectfully submitted,

Hullihen Williams Moore, Chairman

Preston C. Shannon, Commissioner

Theodore V. Morrison, Jr., Commissioner

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State Corporation Commission

COMMISSIONERS

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

William J. Bridge

Clerk of the Commission

*Term as Chairman expired January 31, 1994

**Elected Chairman effective for term of one year, February 1, 1994

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 1994 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	23	Morrison	6	Moore	3

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. BFI930543
MARCH 11, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JOHN E. MAY, t/a CENTRAL MORTGAGE AND INVESTMENT COMPANY,
Defendant

SUSPENSION ORDER

By Rule To Show Cause dated December 22, 1993, the Commission, among other things, assigned this case to a Hearing Examiner to conduct a hearing on behalf of the Commission. The case came on for hearing on February 14, 1994 at which time the Defendant appeared pro se, and was afforded an opportunity to cross-examine witnesses, present evidence on his own behalf, and make such statement as he desired. At the conclusion of the hearing, the Hearing Examiner issued from the bench her Report setting forth her recommended findings of fact and conclusions of law, and informed the Defendant of his right to file written comments to that Report within 15 days, which right the Defendant did not exercise. Accordingly, the Commission finds:

1. That an attested copy of the Rule To Show Cause was served upon the Defendant as required by law;

2. That the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code;

3. That in June, 1993 the Bureau of Financial Institutions (the Bureau) received notice that the surety on the bond Defendant filed with the Bureau was canceling its obligation thereunder;

4. That the Bureau duly notified the Defendant of its intention to recommend revocation of his license for failure to maintain a bond in effect, as required by Virginia Code § 6.1-413, unless Defendant filed a new bond with surety;

5. That the Defendant requested a hearing, but has not filed a new bond with surety with the Bureau; and

6. That the Defendant's mortgage broker license should be suspended. Therefore,

IT IS ORDERED that the license issued to the Defendant, John E. May, t/a Central Mortgage and Investment Company, to engage in business as a mortgage broker is suspended for a period not exceeding six months from the date of this order. If the Defendant files a proper bond with surety, together with a written request for reinstatement, before September 12, 1994, and no other ground for license revocation exists at that time, the Bureau shall reinstate the Defendant's mortgage broker license. If the Defendant does not file a proper bond with the Bureau before September 12, 1994, his mortgage broker license shall be forthwith revoked without further hearing.

CASE NO. BFI930651
JANUARY 25, 1994

APPLICATION OF
CRESTAR BANK

To merge into itself Virginia Federal Savings Bank

ORDER APPROVING THE MERGER

Crestar Bank, a State bank, applied pursuant to Virginia Code § 6.1-194.40 to merge into itself Virginia Federal Savings Bank, a federal savings bank. The application was referred to the Bureau of Financial Institutions for investigation.

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

ACCORDINGLY, IT IS ORDERED that the application of Crestar Bank to merge into itself Virginia Federal Savings Bank is approved. The resulting bank, which will continue to have its main office at 919 East Main Street, City of Richmond, Virginia, will operate as branches the following offices of Virginia Federal Savings Bank: (1) 1201 Emmet Street, City of Charlottesville, Virginia; (2) 1643 Seminole Trail, City of Charlottesville, Virginia; (3) 1011 East Main Street, Orange, Orange County, Virginia; (4) 230 South Wayne Avenue, City of Waynesboro, Virginia; (5) 11601 Midlothian Turnpike, Midlothian, Chesterfield County, Virginia; (6) 14th & Lee Street, West Point, King William County, Virginia; (7) 1222 Richmond Road, City of Williamsburg,

Virginia; (8) 550 East Marshall Street, City of Richmond, Virginia (9) 14 North Laburnum Avenue, Henrico County, Virginia; (10) 1624 Hull Street, City of Richmond, Virginia; (11) 5601 Patterson Avenue, City of Richmond, Virginia; (12) 5419 Lakeside Avenue, Henrico County, Virginia; and (13) 2613 Parham Road, Henrico County, Virginia. Within one year of the merger, as provided by law, the resulting bank shall conform its assets and operations to the provisions of law regulating the operation of banks.

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

CASE NO. BFI930743
MARCH 17, 1994

APPLICATION BY
FIRST CHESAPEAKE FINANCIAL CORPORATION

Pursuant to § 6.1-416.1 of the Code of Virginia

First Chesapeake Financial Corporation, a Virginia Corporation, applied, as required by Virginia Code § 6.1-416.1, for permission to acquire 100% of the voting shares of Waterford Mortgage Corporation, a mortgage lender and broker licensed under Chapter 16 of Title 6.1 of the Code of Virginia. The application was referred to the Bureau of Financial Institutions for investigation, and the investigation period was extended by the Commissioner of Financial Institutions.

Having considered the application, the report of investigation, and the findings and recommendations of the Commissioner of Financial Institutions, the Commission is of the opinion and finds that the applicant, its directors, senior officers and principals have the financial responsibility, character, reputation, experience and general fitness to warrant belief that the business will be operated efficiently and fairly, in the public interest, and in accordance with law. Therefore, the application herein is granted, and First Chesapeake Financial Corporation hereby is permitted to acquire 100% of the voting shares of Waterford Mortgage Corporation. This matter shall be placed among the ended cases.

CASE NO. BFI930797
FEBRUARY 2, 1994

APPLICATION OF
C&F BANK

For a certificate of authority to begin business as a bank and trust company at Eighth and Main Streets, West Point, King William County, Virginia and to operate five branch offices and an EFT terminal upon the merger of Citizens and Farmers Bank into C&F Bank, under the charter of C&F Bank and title of Citizens and Farmers Bank

ON A FORMER DAY came C&F Bank and applied to the Commission for: (1) a certificate of authority to begin business as a bank and trust company at Eighth and Main Streets, West Point, King William County, Virginia, and (2) authority to operate five branch offices and an EFT terminal of the now Citizens and Farmers Bank at the following locations: (1) 14th and Main Streets, West Point, King William County, Virginia; (2) U.S. Route 60 and State Route 155, Providence Forge, New Kent County, Virginia; (3) State Route 249, Quinton, New Kent County, Virginia; (4) U.S. Route 60 and State Route 607, Norge, James City County, Virginia; (5) 4780 Longhill Road, James City County, Virginia; and (6) 19th Street and King William Avenue, West Point, King William County, Virginia (EFT terminal), upon the merger of Citizens and Farmers Bank into C&F Bank, under the charter of C&F Bank and the title of Citizens and Farmers Bank. 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 C&F Bank, effective upon the issuance by the Commission of a certificate of merger of Citizens and Farmers Bank into C&F Bank, and of amendment and restatement changing the name of C&F Bank to Citizens and Farmers Bank, and with respect thereto the Commission finds: (1) that all the provisions of law have been complied with; (2) that upon the issuance by the Commission of a certificate of merger of Citizens and Farmers Bank and C&F Bank, and of amendment and restatement changing the name of C&F Bank to Citizens and Farmers Bank, capital stock will be $2,783,000 and surplus and a reserve for operations will amount to not less than $23,389,000; (3) that the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia; (4) that in its opinion, the public interest will be served by additional banking facilities in the community where the applicant is proposed to be; (5) that the applicant was formed for no other reason than a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the applicant are such as to command the confidence of the community in which it is proposed that the applicant be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

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

IT IS, THEREFORE, ACCORDINGLY ORDERED:

(1) That effective upon the issuance by the Commission to C&F Bank, the surviving bank in a proposed merger of Citizens and Farmers Bank and C&F Bank, of a certificate of merger, and of amendment and restatement changing the name of C&F Bank to Citizens and Farmers Bank, a certificate be, and it is hereby granted to Citizens and Farmers Bank (formerly C&F Bank) authorizing it to begin business as a bank and trust company at Eighth and Main Streets, West Point, King William County, Virginia; and (2) That upon the merger of C&F Bank and Citizens and Farmers Bank, and the change of name of C&F Bank to Citizens and Farmers Bank, Citizens and Farmers Bank, as the surviving bank in such merger be authorized to operate said five branch offices and the EFT terminal.

CASE NO. BFI940011
FEBRUARY 17, 1994

APPLICATION OF
F & M BANK-EMPORIA (in organization)

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

ORDER ISSUING A CERTIFICATE OF AUTHORITY

F & M Bank-Emporia has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do banking business as a state bank at 401 Halifax Street, City of Emporia, 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, F & M Bank-Emporia 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 Emporia, a national banking association having its main office at 401 Halifax Street, City of Emporia, Virginia. The bank has assets of approximately $67.8 million, and it operates two branches, at 301 West Atlantic Street, City of Emporia, Virginia; and 431 South Main Street, City of Emporia, 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 be issued to F & M Bank-Emporia, 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 $4,536,732, and (3) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the event the applicant does not fulfill the foregoing conditions, the authority granted herein will expire sixty days from this date, unless the sixty-day period is extended by Order of the Commission.

CASE NO. BFI940012
FEBRUARY 17, 1994

APPLICATION OF
FARMERS & MERCHANTS BANK OF STANLEY (in organization)

For a certificate of authority to do a banking business upon the conversion of Farmers and Merchants National Bank of Stanley

ORDER ISSUING A CERTIFICATE OF AUTHORITY

Farmers & Merchants Bank of Stanley has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do banking business as a state bank at 302 West Main Street, Stanley, Page 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, Farmers & Merchants Bank of Stanley 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 Farmers and Merchants National Bank of Stanley, a national banking association having its main office at 302 West Main Street, Stanley, Page County, Virginia. The bank has assets of approximately $71.9 million, and it operates two branches, at 800 East Main Street, Luray, Page County, Virginia; and 418 South Third Street, Shenandoah, Page 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 be issued to Farmers & Merchants Bank of Stanley, 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 $2,107,500 and its surplus and reserve for operations will amount to not less than $6,286,210, and (3) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the event the applicant does not fulfill the foregoing conditions, the authority granted herein will expire sixty days from this date, unless the sixty-day period is extended by Order of the Commission.

CASE NO. BFI940012
MARCH 17, 1994

APPLICATION OF
FARMERS & MERCHANTS BANK OF STANLEY (in organization)

For a certificate of authority to do a banking business upon the conversion of Farmers and Merchants National Bank of Stanley

AMENDING ORDER

By order herein dated February 17, 1994, the Commission granted a certificate of authority to do a banking business as a state bank to Farmers & Merchants Bank of Stanley contingent upon, among other things, the bank's establishing a surplus and reserve for operations in an amount not less than $6,286,210. The applicant has requested, and the Bureau of Financial Institutions has approved, a reduction in the foregoing amount to $6,000,000.

Accordingly, IT IS ORDERED that the certificate of authority issued herein be contingent upon Farmers & Merchants Bank of Stanley having a surplus and reserve for operations in an amount not less than $6,000,000.

CASE NO. BFI940035
MARCH 2, 1994

APPLICATION OF
CITYSCAPE CORP.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Cityscape Corp., a New York corporation, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 100 percent of the shares of Astrum Funding Corp. Thereupon the application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 100 percent of the shares of Astrum Funding Corp. by Cityscape Corp. and orders that this matter be placed among the ended cases.

CASE NO. BFI9400059
FEBRUARY 17, 1994

APPLICATION OF
FIRST VIRGINIA BANKS, INC.

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came First Virginia Banks, Inc. and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire FNB Financial Corporation, and its bank subsidiary, First National Bank of Knoxville. 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 FNB Financial Corporation, and its bank subsidiary, First National Bank of Knoxville, by First Virginia Banks, Inc. This matter shall be placed among the ended cases.

CASE NO. BFI940154
APRIL 11, 1994

APPLICATION OF
FIRST BANK (in organization)

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

ORDER ISSUING A CERTIFICATE OF AUTHORITY

First 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 at 100 West King Street, Strasburg, Shenandoah 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 Bank has been incorporated as a Virginia corporation empowered by its certificate of incorporation to do a banking and trust business. The corporation was formed to be the successor of The First National Bank of Strasburg, a national banking association having its main office at 100 West King Street, Strasburg, Shenandoah County, Virginia. The bank has assets of approximately $109.5 million, and it operates two branches, at 508 North Commerce Avenue, Front Royal, Warren County, Virginia; and 2210 Valley Avenue, City of Winchester, Virginia, and one off-premise EFT terminal at Strasburg Square Shopping Center, U.S. Route 11 North, Strasburg, Shenandoah 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 and trust business as a state bank be issued to First Bank, and such a certificate is issued contingent upon the following conditions being met: (1) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (2) the capital stock of the applicant shall be $2,236,175 and its surplus and reserve for operations will amount to not less than $9,723,605, and (3) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the event the applicant does not fulfill the foregoing conditions, the authority granted herein will expire sixty days from this date, unless the sixty-day period is extended by Order of the Commission.

CASE NO. BFI940167
APRIL 13, 1994

APPLICATION OF
GROSJEAN GRAVES CRUMP, III

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Grosjean Graves Crump, III and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the shares of Capitol Financial Services, Inc. Thereupon the application was referred to the Bureau of Financial Institutions.

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

CASE NO. BFI940196
APRIL 25, 1994

APPLICATION OF
LEO THOMAS, JR.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Leo Thomas, Jr. and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire more than 25 percent of the shares of United Mortgagee Incorporated. Thereupon the application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of more than 25 percent of the shares of United Mortgagee Incorporated by Leo Thomas, Jr., and orders that this matter be placed among the ended cases.

CASE NO. BFI940240
MAY 23, 1994

APPLICATION OF
THE FAUQUIER BANK (in organization)

For a certificate of authority to do a banking and trust business upon the conversion of The Fauquier National Bank

ORDER ISSUING A CERTIFICATE OF AUTHORITY

The Fauquier Bank has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do a banking and trust business as a state bank at 10 Courthouse Square, Warrenton, Fauquier 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 Fauquier Bank has been incorporated as a Virginia corporation empowered by its certificate of incorporation to do a banking and trust business. The corporation was formed to be the successor of The Fauquier National Bank, a national banking association having its main office at 10 Courthouse Square, Warrenton, Fauquier County, Virginia. The bank has assets of approximately $166.1 million, and it operates the following four branches: (1) northeast corner of the intersection of Routes 28 and 806, Catlett, Fauquier County, Virginia; (2) southeast corner of the intersection of U.S. Route 29 and Route 600, Fauquier County, Virginia; (3) 216 Broadview Avenue, Warrenton, Fauquier County, Virginia; (4) northeast corner of the intersection of Main Street and Loudoun Avenue, The Plains, Fauquier 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 and trust business as a state bank be issued to The Fauquier Bank, and such a certificate is issued contingent upon the following conditions being met: (1) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (2) the capital stock of the applicant shall be $2,000,000 and its surplus and reserve for operations will amount to not less than $14,000,000, and (3) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the event the applicant does not fulfill the foregoing conditions, the authority granted herein will expire sixty days from this date, unless the sixty-day period is extended by Order of the Commission.

CASE NOS. BFI940257 and BFI940258
JUNE 9, 1994

APPLICATIONS OF
SIGNET BANKING CORPORATION

To acquire 100 percent of the voting stock of Pioneer Financial Corporation

and

SIGNET BANK/VIRGINIA

To merge into itself Pioneer Federal Savings Bank

ORDER APPROVING THE ACQUISITION AND MERGER

Signet Banking Corporation, a Virginia bank holding company, applied pursuant to Virginia Code § 6.1-194.40 to acquire 100 percent of the voting stock of Pioneer Financial Corporation, and Signet Bank/Virginia, a state bank, applied to merge into itself Pioneer Federal Savings Bank, a federal savings bank. The applications were referred to the Bureau of Financial Institutions for investigation.

Upon consideration of the applications and the report of investigation of the Bureau, the Commission is of the opinion and finds that the acquisition of 100 percent of the voting stock of Pioneer Financial Corporation by Signet Banking Corporation and the merger of Pioneer Federal Savings Bank into Signet Bank/Virginia 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, Signet Bank/Virginia, 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 Signet Banking Corporation to acquire 100 percent of the voting stock of Pioneer Financial Corporation and of Signet Bank/Virginia to merge into itself Pioneer Federal Savings Bank are approved. The resulting bank, which will continue to have its main offices at 7 North Eighth Street, City of Richmond, Virginia, will operate as branches the following offices of Pioneer Federal Savings Bank: (1) 4820 Hundred Road, Chester, Chesterfield County, Virginia; (2) 112 Main Street of Hopewell, Virginia; (3) 425 South 15th Avenue, City of Hopewell, Virginia; (4) 651 Boulevard, City of Colonial Heights, Virginia; (5) 9027 Forest Hill Avenue, Chesterfield County, Virginia; (6) 5734 Hopkins Road, Chesterfield County, Virginia; (7) 9605 Gayton Road, Henrico County, Virginia; (8) 2250 East Parham Road, Henrico County, Virginia; (9) 321 North Arch

Road, Chesterfield County, Virginia; (10) 3360 South Crater Road, City of Petersburg, Virginia; and (11) 845 East 2nd Street, Chase City, Mecklenburg County, Virginia. Within one year of the merger, as provided by law, the resulting bank shall conform its assets and operations to the provisions of law regulating the operation of banks.

The merger approved by this order shall be effective upon the issuance to Signet Bank/Virginia of a certificate of merger of Pioneer Federal Savings Bank into Signet Bank/Virginia.

CASE NO. BFI940263
MAY 23, 1994

APPLICATION OF
CNB HOLDINGS, 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 CNB Holdings, Inc. and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the shares of Community National Bank, Pulaski, Pulaski County, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-383.1, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by the provisions of § 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 Community National Bank by CNB Holdings, Inc. and orders that this matter be placed among the ended cases.

CASE NO. BFI940266
MAY 23, 1994

APPLICATION OF
PEGGY J. MOORE

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Peggy J. Moore, and filed her application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the shares of Mortgage Atlantic, Inc. Thereupon the application was referred to the Bureau of Financial Institutions.

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

CASE NO. BFI940274
MAY 4, 1994

APPLICATION OF
LOUDOUN CREDIT UNION
and
LOUDOUN HEALTHCARE FEDERAL CREDIT UNION

To merge under the charter and title of the former

ORDER APPROVING THE MERGER

ON A FORMER DAY came Loudoun Credit Union and Loudoun Healthcare Federal Credit Union, and filed their proposal to merge, pursuant to the provisions of Section 6.1-225.27 of the Code of Virginia. It is proposed the Loudoun Credit Union be the surviving credit union.

On this day, the Commission having considered the application herein and the recommendation of the Commissioner of Financial Institutions, is of the opinion and finds: (1) That the common bond of interest specified in the bylaws of the credit union which is to survive the merger will include the common bonds of both credit unions; (2) that the plan of merger will promote the best interests of the members of the credit unions; and (3) that the members of the merging credit union and the board of directors of the surviving credit union have approved the plan of merger in accordance with applicable laws and regulations.

THEREFORE, IT IS ORDERED that the merger of Loudoun Healthcare Federal Credit Union into Loudoun Credit Union is approved, subject to the following conditions: (1) That the shares of the surviving credit union be insured by the National Credit Union Share Insurance Fund, and (2) that the merger be accomplished not later than one year from this date.

After the Clerk of the Commission receives and approves the plan of merger and articles of merger, and receives payment of the required fees, the merger will be effective when the Clerk issues a certificate of merger.

CASE NO. BFI940290
MAY 26, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNISOURCE FINANCIAL 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, 1994, 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 19, 1994 that its license would be revoked unless the annual report was filed by May 17, 1994; and that no annual report, or written request for hearing, was timely filed by the Defendant.

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

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

CASE NO. BFI940291
NOVEMBER 4, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROBERT L. MARTIN,
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 his annual fee due May 27, 1994, 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 28, 1994, that he would propose that his license be revoked on August 29, 1994, and that a written request for hearing was required to be filed in the office of the Clerk on or before August 11, 1994; and that no annual fee or written request for hearing was timely 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. BFI940319
NOVEMBER 4, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
STATEWIDE 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 pay its annual fee due May 27, 1994, 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 28, 1994, that he would propose that its license be revoked on August 29, 1994, and that a written request for hearing was required to be filed in the office of the Clerk on or before August 11, 1994; and that no annual fee or written request for hearing was timely 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. BFI940337
JUNE 14, 1994

APPLICATION OF
CHESAPEAKE BANK (in organization)

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

ORDER ISSUING A CERTIFICATE OF AUTHORITY

Chesapeake Bank has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do a banking and trust business as a state bank with its main office at 97 North Main Street, Kilmarnock, Lancaster 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, Chesapeake Bank has been incorporated as a Virginia Corporation empowered by its certificate of incorporation to do a banking and trust business. The corporation was formed to be the successor of Chesapeake National Bank, a national banking association having its main office at 97 North Main Street, Kilmarnock, Lancaster County, Virginia. Chesapeake National Bank is a subsidiary of Chesapeake Financial Shares, Inc. The bank has assets of approximately $122.5 million, and it operates the following six branches: (1) northwest corner of the intersection of King Carter Drive and Tavern Road, Irvington, Lancaster County, Virginia; (2) north corner of the intersection of Routes 3 and 201, Lively, Lancaster County, Virginia; (3) northwest corner of the intersection of Routes 198 and 14, Mathews, Mathews County, Virginia; (4) 10 Lancaster Drive, Irvington, Lancaster County, Virginia; (5) Hayes Store Shopping Center, U.S. Route 17, Hayes, Gloucester County, Virginia; and (6) east side of U.S. Route 17, 0.3 mile south of its intersection with Route 3, Gloucester, Gloucester 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 and trust business as a state bank, with the main office and the branches set forth above, be issued to Chesapeake Bank, and such a certificate is issued contingent upon the following conditions being met: (1) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (2) the capital stock of the applicant shall be $2,000,000 and its surplus and reserve for operations will amount to not less than $7,300,000 and (3) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the event the applicant does not fulfill the foregoing conditions, the authority granted herein will expire sixty days from this date, unless the sixty-day period is extended by Order of the Commission.

CASE NO. BFI940346
JUNE 20, 1994

APPLICATION OF
THE PAGE VALLEY BANK (in organization)

For a certificate of authority to do a banking business upon the conversion of The Page Valley National Bank of Luray

ORDER ISSUING A CERTIFICATE OF AUTHORITY

The Page Valley 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 17 West Main Street, Luray, Page 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 Page Valley 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 The Page Valley National Bank of Luray, a national banking association having its main office at 17 West Main Street, Luray, Page County, Virginia. The Page Valley National Bank of Luray is a subsidiary of Blue Ridge Bankshares, Inc. The bank has assets of approximately $51.2 million, and it operates one branch, at 612 East Main Street, Luray, Page 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 the branch set forth above, be issued to The Page Valley Bank, and such a certificate is issued contingent upon the following conditions being met: (1) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (2) the capital stock of the applicant shall be $2,000,000 and its surplus and reserve for operations will amount to not less than $4,100,873, and (3) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the even the applicant does not fulfill the foregoing conditions, the authority granted herein will expire sixty days from this date, unless the sixty-day period is extended by Order of the Commission.

CASE NO. BFI940348
JUNE 14, 1994

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 Hallmark Bank & Trust Company, Springfield, 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 Hallmark Bank & Trust Company by F & M National Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI940349
JUNE 14, 1994

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 PNB Financial Corporation, Warrenton, 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 PNB Financial Corporation by F & M National Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI940365
JUNE 2, 1994

APPLICATION OF
AMC ACQUISITION, INC.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came AMC Acquisition, Inc., a Florida corporation, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 100 percent of the voting shares of Alliance Mortgage Company. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 100 percent of the voting shares of Alliance Mortgage Company by AMC Acquisition, Inc. and orders that this matter be placed among the ended cases.

CASE NO. BFI940378
JUNE 20, 1994

APPLICATION OF
SECOND BANK & TRUST (in organization)

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

ORDER ISSUING A CERTIFICATE OF AUTHORITY

Second Bank & Trust has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do a banking and trust business as a state bank with its main office at 102 South Main Street, Culpeper, Culpeper 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, Second Bank & Trust Company has been incorporated as a Virginia corporation empowered by its certificate of incorporation to do a banking and trust business. The corporation was formed to be the successor of Second National Bank, a national banking association having its main office at 102 South Main Street, Culpeper, Culpeper County, Virginia. Second National Bank is a subsidiary of Second National Financial Corporation. The bank has assets of approximately $192.8 million, and it operates the following three branches: (1) southwest corner of the intersection of U.S. Route 29 Business and Route 673, Madison, Madison County, Virginia (2) Dominion Square Shopping Center, 717 James Madison Highway, Culpeper, Culpeper County, Virginia; and (3) 231 Southgate Shopping Center, Culpeper, Culpeper 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 and trust business as a state bank, with the main office and the branches set forth above, be issued to Second Bank & Trust, 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 $3,755,880 and its surplus and reserve for operations will amount to not less than $19,310,435, and (3) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the even the applicant does not fulfill the foregoing conditions, the authority granted herein will expire sixty days from this date, unless the sixty-day period is extended by Order of the Commission.

CASE NO. BFI940383
JUNE 9, 1994

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 application, as required by Virginia Code Section 6.1-194.105, to acquire Annapolis Bancorp, Inc. and its savings institution subsidiary, Annapolis 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 Annapolis Bancorp, Inc. and its savings institution subsidiary, Annapolis Federal Savings Bank, by Crestar Financial Corporation. This matter shall be placed among the ended cases.

CASE NO. BFI940399
JUNE 23, 1994

APPLICATION OF
SIGNET CREDIT CARD BANK

For a certificate of authority to begin business as a bank at 11011 West Broad Street Road, Henrico County, Virginia

ON A FORMER DAY came the applicant and filed its application for a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at 11011 West Broad Street Road, Henrico County, Virginia. Thereupon the application was referred to the Commissioner of Financial Institutions for investigation and report.

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

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

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

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

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

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

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

THEREFORE, IT IS ORDERED that a certificate of authority authorizing Signet Credit Card Bank to do a banking business at 11011 West Broad Street Road, Henrico County, Virginia, be granted, and said certificate hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling at least $233,000,000 be paid into the bank with minimum allocation as follows: $70,000,000 to capital stock, $143,000,000 to surplus and $20,000,000 to a reserve for operation;

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

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

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

CASE NO. BFI940400
JUNE 23, 1994

APPLICATION OF
SIGNET BANKING 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 Signet Banking Corporation, Richmond, Virginia, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Signet Credit Card Bank, Henrico County, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions.

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

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of Signet Credit Card Bank by Signet Banking Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI940401
JUNE 20, 1994

APPLICATION OF
FIRST VIRGINIA BANK-SHENANDOAH VALLEY

For a certificate of authority to: (1) do a banking and trust business upon the merger of First Virginia Bank of Augusta and First Virginia Bank-Planters into First Virginia Bank-Shenandoah Valley under the charter and title of First Virginia Bank-Shenandoah Valley; and (2) operate the former main offices and branches of the now First Virginia Bank of Augusta and First Virginia Bank-Planters

ON A FORMER DAY came First Virginia Bank-Shenandoah Valley, the surviving bank in a proposed merger with First Virginia Bank of Augusta and First Virginia Bank-Planters, and subject to the issuance by the Commission of a certificate of merger of said banks, applied to the Commission for (1) Certificate of authority to do a banking and trust business at 200 North Main Street, Woodstock, Shenandoah County, Virginia, and elsewhere in this State as it may now or hereafter be authorized by law; and (2) Authority to operate the main offices and branches of the now First Virginia Bank of Augusta and First Virginia Bank-Planters at the following locations: (1) 125 North Central Avenue, City of Staunton, Virginia; (2) 105 Hopeman Parkway, City of Waynesboro, Virginia; (3) Churchville Shopping Center, State Route 42 and U.S. Route 250, Churchville, Augusta County, Virginia; (4) Main & Craig Streets, Craigsville, Augusta County, Virginia; (5) U.S. Route 340 and Broadmoore Street, Stuarts Draft, Augusta County, Virginia; (6) 1 Frontier Drive, Augusta County, Virginia; (7) 111 North Main Street, Bridgewater, Rockingham County, Virginia; (8) 2360 South Main Street, City of Harrisonburg, Virginia; (9) 1915 East Market Street, City of Harrisonburg, Virginia; (10) 335 East Market Street, City of Harrisonburg, Virginia; (11) 230 South Main Street, Dayton, Rockingham County, Virginia; and (12) 250 South Stuart Avenue, Elkton, Rockingham 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 of Augusta and First Virginia Bank-Planters into First Virginia Bank-Shenandoah Valley, 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 $6,730,000 and its surplus and reserve for operations will amount to not less than $23,968,000; (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-Shenandoah Valley, the surviving bank in such merger, to operate the main offices and branches of the now First Virginia Bank of Augusta and First Virginia Bank-Planters.

IT IS THEREFORE, ORDERED:

That effective upon the issuance by the Commission of a certificate of merger to First Virginia Bank-Shenandoah Valley, the surviving bank in a proposed merger of First Virginia Bank of Augusta and First Virginia Bank-Planters, a certificate be, and it is hereby granted to First Virginia Bank-Shenandoah Valley authorizing it to do a banking and trust business at 200 North Main Street, Woodstock, Shenandoah County, Virginia and elsewhere in this State as authorized by law and to operate the aforesaid branch offices.

CASE NO. BFI940417
JUNE 20, 1994

APPLICATION OF
COMMONWEALTH COMMUNITY 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 Commonwealth Community Bancorp, Inc. and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Miners and Merchants Bank and Trust Company, Grundy, 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 Miners and Merchants Bank and Trust Company by Commonwealth Community Bancorp, Inc., and orders that this matter be placed among the ended cases.

CASE NO. BFI940433
JULY 21, 1994

APPLICATION BY
CAROLINE SAVINGS BANK, a state association

To convert to a state savings bank, and for a certificate of authority to do business as such at 268 North Main Street, Bowling Green, Caroline County, Virginia, and at a branch office

ORDER APPROVING THE CONVERSION AND GRANTING A CERTIFICATE OF AUTHORITY

Caroline Savings Bank, a state association as defined in Virginia Code Section 6.1-194.2, has applied, pursuant to Virginia Code Sections 6.1-194.129(B) and 6.1-194.114, to convert to a state savings bank and for a certificate of authority to begin business as a savings bank at 268 North Main Street, Bowling Green, Caroline County, Virginia and at 11019 Leavells Road, Spotsylvania County, Virginia following its conversion. The latter two Sections authorize such a conversion, with the approval of the Commission, and provide for the issuance of a certificate of authority to effect the conversion. The application was referred to the Bureau of Financial Institutions for an investigation.

Caroline Savings Bank currently has assets of approximately $36.3 million. The Bureau reports that (1) Caroline Savings Bank will amend its articles of incorporation to provide that it will conduct business as a state savings bank, (2) the savings bank will conduct business as a state savings bank, pursuant to Article 12 of Chapter 3.01 of the Banking Act, at the currently authorized locations of the association: main office - 268 North Main Street, Bowling Green, Caroline County, Virginia and branch office - 11019 Leavells Road, Spotsylvania County, Virginia, and (3) the deposit accounts of the savings bank will continue to be insured by the Federal Deposit Insurance Corporation. The Bureau concludes that the requirements of Section 6.1-194.129(B) and the applicable requirements of Section 6.1-194.114 have been fulfilled, and recommends approval of the application.

Now having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the conversion has been approved by the stockholders of the state association, that the proposed savings bank meets the requirements of Virginia Code Section 6.1-194.114, and that the conversion should be approved and a certificate of authority to do business as a savings bank be granted.

THEREFORE, IT IS ORDERED that the conversion is hereby approved, and that a certificate of authority to begin business as a state savings bank at the main office and branch office described above be issued to Caroline Savings Bank. Such a certificate hereby is issued, effective upon the issuance by the Clerk of a certificate of amendment amending the articles of incorporation of Caroline Savings Bank, contingent upon the following conditions: (1) the capital stock of the savings bank shall be $1,054,488 and its surplus and reserve for operations shall be not less than $2,015,183, and (2) the applicant shall notify the Bureau of the date on which it will commence business as a state savings bank. If the applicant should fail to fulfill the foregoing conditions, the authority granted herein will expire sixty (60) days from the date of this order, unless the authority is extended.

CASE NO. BFI940439
AUGUST 10, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HOUSEHOLD REALTY CORPORATION, d/b/a HOUSEHOLD REALTY CORPORATION OF VIRGINIA,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY the Staff reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Virginia Code; that during the course of examinations of the Defendant's business records, it was discovered that the Company violated certain laws applicable to the conduct of its business; that upon being informed that the Commissioner of Financial Institutions intended to recommend the imposition of a penalty therefor, the Defendant, by its counsel, without admitting or denying liability, offered to settle this case by payment of a penalty in the sum of forty-five thousand dollars ($45,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under Virginia Code § 12.1-15.

ACCORDINGLY, IT IS ORDERED:

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

(2) That this case be, and is hereby dismissed; and

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

CASE NO. BFI940477
AUGUST 1, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BASEL M. HIJJAWI,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Virginia Code; that a bond dated November 1, 1990, filed by the Defendant pursuant to Virginia Code § 6.1-413 was canceled in April, 1994 by the surety thereon; that a bond subsequently filed by the Defendant dated March 23, 1994, was declared void by the surety thereon on June 15, 1994, for want of authority of its attorney-in-fact to execute such a bond on its behalf; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on June 27, 1994, that his license would be revoked unless a new bond was filed prior to July 22, 1994, and that a written request for hearing must be filed in the Office of the Clerk of the Commission on or before July 12, 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 Basel M. Hijjawi to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI940555
NOVEMBER 4, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CRISMONT 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 pay its annual fee due May 27, 1994, 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 28, 1994, that he would propose that its license be revoked on August 29, 1994, and that a written request for hearing was required to be filed in the office of the Clerk on or before August 11, 1994; and that no annual fee or written request for hearing was timely 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. BFI940562
NOVEMBER 4, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MONOGRAM HOME EQUITY 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 lender under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to pay its annual fee due May 27, 1994, 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 28, 1994, that he would propose that its license be revoked on August 29, 1994, and that a written request for hearing was required to be filed in the office of the Clerk on or before August 11, 1994; and that no annual fee or written request for hearing was timely 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 lender is hereby revoked.

CASE NO. BFI940562
DECEMBER 1, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MONOGRAM HOME EQUITY CORPORATION,
Defendant

ORDER REINSTATING A LICENSE

ON THIS DAY the Commissioner of Financial Institutions reported to the Commission that the notice of proposed license revocation in this case was mailed to the Defendant at an address which was not its "principal place of business" within the meaning of Virginia Code § 6.1-427 and that, as a result, the Defendant did not have an opportunity to appear and defend itself herein. Accordingly,

IT IS ORDERED that the Defendant's license to engage in business as a mortgage lender is reinstated nunc pro tunc to November 4, 1994, and that the Order entered on that date revoking the Defendant's license shall be deemed a nullity for all purposes.

CASE NO. BFI940566
NOVEMBER 4, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TRANSCOASTAL 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 lender and broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to pay its annual fee due May 27, 1994, 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 28, 1994, that he would propose that its license be revoked on August 29, 1994, and that a written request for hearing was required to be filed in the office of the Clerk on or before August 11, 1994; and that no annual fee or written request for hearing was timely 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 lender and broker is hereby revoked.

CASE NO. BFI940567
NOVEMBER 4, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LIBERTY MORTGAGE CORPORATION, d/b/a LIBERTY NATIONAL 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 lender and broker under Chapter 16 of Title 6.1 of the Virginia Code; that the Defendant failed to pay its annual fee due May 27, 1994, 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 28, 1994, that he would propose that its license be revoked on August 29, 1994, and that a written request for hearing was required to be filed in the office of the Clerk on or before August 11, 1994; and that no annual fee or written request for hearing was timely 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 lender and broker is hereby revoked.

CASE NO. BFI940607
SEPTEMBER 20, 1994

APPLICATION OF
MICHAEL A. POSTAL

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Michael A. Postal, Bethesda, Maryland, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 50 percent ownership of Elite Funding 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 50 percent ownership of Elite Funding Corporation by Michael A. Postal and orders that this matter be placed among the ended cases.

CASE NO. BFI940642
OCTOBER 3, 1994

APPLICATION OF
MARK C. GREGORY

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Mark C. Gregory, Centreville, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 100 percent ownership of Patriot Mortgage Services, Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 100 percent ownership of Patriot Mortgage Services, Inc. by Mark C. Gregory and orders that this matter be placed among the ended cases.

CASE NO. BFI940661
DECEMBER 1, 1994

APPLICATION OF
FIRST MOUNT VERNON FINANCIAL CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came First Mount Vernon Financial Corporation, Alexandria, Virginia, and filed its application, as required by Virginia Code § 6.1-383.1, to acquire 100 percent of the voting shares of Norfolk Industrial Loan Association, Virginia Beach, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions.

Having considered the application and the Bureau's report, the Commission is of the opinion and finds that the Applicant has complied with Virginia Code § 6.1-383.1, and finds further that no reasonable basis exists for disapproval of the application. The Commission notes from the Bureau's report, however, that the Applicant intends to seek permission in the future to move the Association's office to Alexandria, Virginia. The Applicant should be mindful that, in order to meet the requirements of Virginia Code § 6.1-233, an application to relocate the Association's office must demonstrate that the move will promote the convenience of the Association's customers.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of Norfolk Industrial Loan Association by First Mount Vernon Financial Corporation, and orders that this matter be placed among the ended cases.

CASE NO. BFI940666
OCTOBER 14, 1994

APPLICATION OF
CHARLES W. WHITTAKER

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Charles W. Whittaker, Manassas, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent ownership of First Manassas Mortgage, L.L.C. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

Having considered the application and the report of investigation of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-416.1. Therefore, the Commission hereby approves the acquisition of 25 percent ownership of First Manassas Mortgage, L.L.C by Charles W. Whittaker and orders that this matter be placed among the ended cases.

CASE NO. BFI940674
SEPTEMBER 23, 1994

APPLICATION OF
NATIONSBANK CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

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

CASE NO. BFI940701
NOVEMBER 3, 1994

APPLICATION OF
MERCANTILE BANKSHARES CORPORATION
Baltimore, Maryland

To acquire Fredericksburg National Bancorp, Inc. Fredericksburg, Virginia

Mercantile Bankshares Corporation filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire Fredericksburg National Bancorp, Inc., a Virginia bank holding company, and its bank subsidiary, The National Bank of Fredericksburg, a Virginia bank. The application was referred to the Bureau of Financial Institutions for investigation, and notice of the application was published in the Bureau's Weekly Information Bulletin dated September 2, 1994. No objection to the proposed acquisition was received.

Having considered the relevant statutes of Virginia and Maryland and the Bureau's report of investigation herein, the Commission finds that the statutory prerequisites to approval of the application are met in this case: (1) the laws of Maryland permit Virginia bank holding companies meeting the criteria of Chapter 15 to acquire banks and bank holding companies in that jurisdiction; (2) the laws of Maryland would permit this particular transaction to be done in reverse, i.e., Fredericksburg National Bancorp, Inc. could acquire Mercantile Bankshares Corporation; (3) The National Bank of Fredericksburg, the only bank subsidiary of Fredericksburg National Bancorp, Inc., was established in 1864 and has operated continuously since, a period of more than two years.

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

(1) The proposed acquisition would not be detrimental to the safety or soundness of the applicant or of Fredericksburg National Bancorp, Inc. or its Virginia bank subsidiary;

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

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

(4) The acquisition is in the public interest.

Therefore, the Commission hereby approves the acquisition of Fredericksburg National Bancorp, Inc. by Mercantile Bankshares Corporation. There being nothing further to be done in this matter, it shall be placed among the ended cases.

CASE NO. BFI940702
NOVEMBER 3, 1994

APPLICATION OF
FRANKLIN BANCORPORATION, INC.
Washington, D.C.

To acquire The George Washington Banking Corporation Alexandria, Virginia

Franklin Bancorporation, Inc. filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire The George Washington Banking Corporation, a Virginia bank holding company, and its bank subsidiary, The George Washington National Bank, a Virginia bank. The application was referred to the Bureau of Financial Institutions for investigation, and notice of the application was published in the Bureau's Weekly Information Bulletin dated September 9, 1994. No objection to the proposed acquisition was received.

Having considered the relevant statutes of Virginia and the District of Columbia and the Bureau's report of investigation herein, the Commission finds that the statutory prerequisites to approval of the application are met in this case: (1) the laws of the District of Columbia permit Virginia bank holding companies meeting the criteria of Chapter 15 to acquire banks and bank holding companies in that jurisdiction; (2) the laws of the District of Columbia would permit this particular transaction to be done in reverse, i.e., The George Washington Banking Corporation could acquire Franklin Bancorporation, Inc.; (3) The George Washington National Bank, the only bank subsidiary of The George Washington Banking Corporation, was established in 1989 and has operated continuously since, a period of more than two years.

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

(1) The proposed acquisition would not be detrimental to the safety or soundness of the applicant or of The George Washington Banking Corporation or its Virginia bank subsidiary;

(2) The applicant, its officers and directors, and the proposed new directors of The George Washington National Bank are qualified by character, experience and financial responsibility to control and operate a Virginia bank;

(3) The proposed acquisition would not be prejudicial to the interest of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of the applicant or of The George Washington Banking Corporation or The George Washington National Bank; and

(4) The acquisition is in the public interest.

Therefore, the Commission hereby approves the acquisition of The George Washington Banking Corporation by Franklin Bancorporation, Inc. There being nothing further to be done in this matter, it shall be placed among the ended cases.

CASE NO. BFI940727
OCTOBER 31, 1994

APPLICATION OF
F & M BANK - PEOPLES (in organization)

For a certificate of authority to do a banking and trust business upon the conversion of The Peoples National Bank of Warrenton

ORDER ISSUING A CERTIFICATE OF AUTHORITY

F & M Bank - Peoples has applied, pursuant to Virginia Code Sections 6.1-33 and 6.1-38, for a certificate of authority to do a banking and trust business as a state bank with its main office at 21 Main Street, Warrenton, Fauquier 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, F & M Bank - Peoples has been incorporated as a Virginia corporation empowered by its certificate of incorporation to do a banking and trust business. The corporation was formed to be the successor of The Peoples National Bank of Warrenton, a national banking association having its main office at 21 Main Street, Warrenton, Fauquier County, Virginia. The Peoples National Bank of Warrenton is a subsidiary of F & M National Corporation. The bank has assets of approximately $96.4 million, and it operates two branches at: (1) Warrenton Shopping Center, 251 West Lee Highway, Suite 730, Warrenton, Fauquier County, Virginia; and (2) 8318 East Main Street, Marshall, Fauquier County, Virginia; and two off-premise EFT terminals at (A) Huntsman Towne Center, north side of Frost Avenue at its intersection with U.S. Route 29, Warrenton, Fauquier County, Virginia; and (B) 18179 Lee Highway, Amissville, Culpeper 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 and trust business as a state bank, with the main office, branches and off-premise EFT terminals set forth above, be issued to F & M Bank - Peoples, 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 $2,100,000 and its surplus and reserve for operations will amount to not less than $7,400,000 and (3) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the event the applicant does not fulfill the foregoing conditions, the authority granted herein will expire sixty days from this date, unless the sixty-day period is extended by Order of the Commission

CASE NO. BFI940740
OCTOBER 6, 1994

APPLICATION OF
FIRST VIRGINIA BANKS, INC.

Pursuant to Section 6.1-406.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came First Virginia Banks, Inc. and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire Farmers National Bancorp, Annapolis, Maryland, and its bank subsidiaries as follows: Farmers National Bank of Maryland, Annapolis, Maryland; The Caroline County Bank, Greensboro, Maryland; and Atlantic National Bank, Ocean City, 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 Farmers National Bancorp by First Virginia Banks, Inc. This matter shall be placed among the ended cases.

CASE NO. BFI940769
NOVEMBER 30, 1994

APPLICATION OF
CRESTAR BANK

For a certificate of authority to (1) do a banking and trust business upon the merger of Independent Bank into Crestar Bank under the charter and title of Crestar Bank; and (2) operate the main office and branches of the now Independent Bank

ON A FORMER DAY came Crestar Bank, the surviving bank in a proposed merger with Independent Bank, and subject to the issuance by the Commission of a certificate of merger of said banks, applied to the Commission for (1) certificate of authority to do a banking and trust business at 919 East 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 Independent Bank at the following locations: 8751 Sudley Road, City of Manassas, Virginia; 1708 Old Bridge Road, Woodbridge, Prince William County, Virginia; 8950 Mathis Avenue, City of Manassas, Virginia; and 8112 Sudley Road, Prince William 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 Independent Bank into Crestar Bank, 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 $210,000,000 and its surplus and reserve for operations will amount to not less than $641,846,000, (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, Crestar Bank, the surviving bank in such merger, to operate the main office and branches of the now Independent Bank as branch offices.

IT IS THEREFORE ORDERED:

That effective upon the issuance by the Commission of a certificate of merger to Crestar Bank, the surviving bank in a proposed merger with Independent Bank, a certificate be, and is hereby granted to Crestar Bank authorizing it to do a banking and trust business at 919 East 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 Independent Bank as branch offices.

CASE NO. BFI940772
NOVEMBER 30, 1994

APPLICATION OF
BB&T FINANCIAL CORPORATION
Wilson, North Carolina

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

ORDER OF APPROVAL

BB&T Financial Corporation, a bank holding company headquartered in Wilson, North Carolina, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire Commerce Bank, a Virginia bank headquartered in Virginia Beach, Virginia, and the resulting bank in a merger with Branch Banking and Trust Company of Virginia, an Interim Bank. The application was referred to the Bureau of Financial Institutions for investigation. Notice of the application was published in the Bureau's Weekly Information Bulletin dated September 23, 1994. No objection to the proposed acquisition was received.

Having considered the application and the report of the investigation of the Bureau, the Commission finds that (1) the proposed acquisition will not be detrimental to the safety and soundness of 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; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of 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 BB&T Financial Corporation to acquire Commerce Bank. This matter shall be placed among the ended cases.

CASE NO. BFI940772
DECEMBER 19, 1994

APPLICATION OF
BB&T FINANCIAL CORPORATION
Wilson, North Carolina
and
BB&T FINANCIAL CORPORATION OF VIRGINIA

AMENDING ORDER

By order herein dated November 30, 1994, the Commission approved the application of BB&T Financial Corporation to acquire Commerce Bank (Virginia Beach). The Bureau of Financial Institutions now states that BB&T Financial Corporation proposes to own the stock of Commerce Bank indirectly, i.e., through a wholly-owned Virginia subsidiary, BB&T Financial Corporation of Virginia.

ACCORDINGLY, IT IS ORDERED that the order herein dated November 30, 1994, be amended, and it hereby is amended, to bear the style shown above, and the Commission hereby approves the application of BB&T Financial Corporation and BB&T Financial Corporation of Virginia to acquire Commerce Bank.

CASE NO. BFI940773
NOVEMBER 30, 1994

APPLICATION OF
CRESTAR BANK

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

ORDER APPROVING THE MERGER

Crestar Bank, a State bank, applied pursuant to Virginia Code § 6.1-194.40 to merge into itself Jefferson Savings and Loan Association, F.A., a federal association. The application was referred to the Bureau of Financial Institutions for investigation.

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

ACCORDINGLY, IT IS ORDERED that the application of Crestar Bank to merge into itself Jefferson Savings and Loan Association, F.A. is approved. The resulting bank, which will continue to have its main office at 919 East Main Street, City of Richmond, Virginia, will operate as branches the following offices of Jefferson Savings and Loan Association, F.A.: (1) 1705 Seminole Trail, Albermarle County, Virginia; (2) 633 Meadowbrook Center, Culpeper, Culpeper County, Virginia; (3) 701 S. Main Street, Culpeper, Culpeper County, Virginia; (4) Warrenton Center, Warrenton, Fauquier County, Virginia; (5) 9-J Catoctin Circle, S.W., Leesburg, Loudoun County, Virginia; (6) 20 E. Luray Shopping Cener, Luray, Page County, Virginia; (7) 200 Remount Road, Front Royal, Warren County, Virginia. Within one year of the merger, as provided by law, the resulting bank shall conform its assets and operations to the provisions of law regulating the operation of banks.

The merger approved by this order shall be effective upon the issuance to Crestar Bank of a certificate of merger of Jefferson Savings and Loan Association, F.A. into Crestar Bank.

CASE NO. BFI940779
DECEMBER 7, 1994

APPLICATION OF
FIRST CITIZENS BANCSHARES, INC.
Raleigh, North Carolina

To acquire Pace American Bank pursuant to Chapter 15 of Title 6.1 of the Virginia Code

ORDER OF APPROVAL

First Citizens BancShares, Inc., a bank holding company headquartered in Raleigh, North Carolina, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire the successor by merger of New Pace American Bank (an interim bank) and Pace American Bank, a Virginia bank headquartered in Lawrenceville, Brunswick County, Virginia. The application was referred to the Bureau of Financial Institutions for investigation. Notice of the application was published in the Bureau's Weekly Information Bulletin dated September 30, 1994. No objection to the proposed acquisition was received.

Having considered the application and the report of the investigation of the Bureau, the Commission finds that (1) the proposed acquisition will not be detrimental to the safety and soundness of First Citizens BancShares, Inc. or Pace American Bank; (2) the applicant, and its officers and directors, are qualified by

character, experience and financial responsibility to control and operate a Virginia bank; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of First Citizens BancShares, Inc. or Pace American Bank; and (4) the acquisition is in the public interest. The Commission further finds that the prerequisites set forth in Virginia Code Section 6.1-399, Subsection A, are met in the case of this application, and that no condition, restriction, requirement, or other limitation of the kind referred to in Subsection A.4 of Section 6.1-399 is present in this case.

Therefore, the Commission hereby approves the application of First Citizens BancShares, Inc. to acquire Pace American Bank. This matter shall be placed among the ended cases.

CASE NO. BFI940780
DECEMBER 7, 1994

APPLICATION OF
NEW PACE AMERICAN BANK

For a certificate of authority to begin business as a bank at 112 East Hicks Street, Lawrenceville, Brunswick County, Virginia and for authority to operate upon the merger of Pace American Bank into New Pace American Bank, under the charter of New Pace American Bank and the title of Pace American Bank

ON A FORMER DAY New Pace American Bank, an interim bank, applied to the Commission for a certificate of authority to begin business as a bank at 112 East Hicks Street, Lawrenceville, Brunswick County, Virginia, and for authority for the bank, renamed "Pace American Bank" upon the merger of the existing Pace American Bank into New Pace American Bank, to operate the above main office and three branch offices of the existing bank at the following locations: Brunswick Square Shopping Center, U.S. Route 58, Lawrenceville, Brunswick County, Virginia; 214 West Atlantic Street, City of Emporia, Virginia; and 622 East Atlantic Street, South Hill, Mecklenburg County, Virginia as branch offices. The application, with supporting documents and information, was referred to the Commissioner of Financial Institutions for an investigation and report.

The Commissioner has submitted his report of investigation in the matter, indicating that the authorizations sought herein are steps to facilitate the proposed acquisition of Pace American Bank by First Citizens BancShares, Inc. pursuant to Chapter 15 of Title 6.1 of the Code of Virginia.

AND THE COMMISSION, having considered the application herein and the recommendation of the Commissioner of Financial Institutions with respect thereto, is of the opinion that a certificate of authority to begin business as a bank should be issued to New Pace American Bank, and with respect thereto the Commission finds (1) that all the provisions of law have been complied with; (2) that the stock of the interim bank has been subscribed and that the capital of the resulting bank will be an amount deemed sufficient for successful operation, i.e., capital stock of $2,000,000 and surplus and a reserve for operations of not less than $9,871,000; (3) that the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia; (4) that in its opinion the public interest will be served by banking facilities in the community where the applicant is proposed to be; (5) that the applicant was formed for no other reason than a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the applicant are such as to command the confidence of the community in which it is proposed that the applicant be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

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

ACCORDINGLY IT IS ORDERED:

That a certificate of authority be granted to New Pace American Bank, and a certificate is hereby granted. And it is further ordered that, upon the merger of Pace American Bank into New Pace American Bank, the resulting bank, re-named "Pace American Bank", be authorized to operate at 112 East Hicks Street, Lawrenceville, Brunswick County, Virginia, with the branch offices listed above, and such authority hereby is granted.

CASE NOS. BFI940797 and BFI940798
NOVEMBER 30, 1994

APPLICATIONS OF
BRANCH BANKING AND TRUST COMPANY OF VIRGINIA, AN INTERIM BANK

For a certificate of authority to do a banking business in the City of Virginia Beach

and

COMMERCE BANK

For a certificate of authority to do a banking and trust business following its merger with Branch Banking and Trust Company of Virginia, An Interim Bank

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

On a former day Branch Banking and Trust Company of Virginia, an Interim Bank applied, pursuant to Virginia Code Section 6.1-13, for a certificate of authority to do a banking business at 3450 Pacific Avenue, City of Virginia Beach, Virginia. On the same day Commerce Bank, Virginia Beach, Virginia applied, pursuant to Virginia Code Section 6.1-44, for a certificate of authority to do a banking and trust business at its existing locations following its merger with Branch Banking and Trust Company of Virginia, an Interim Bank, in which merger Commerce Bank is to be the resulting bank. The applications, with supporting documents and information, were referred to the Commissioner of Financial Institutions for an investigation and report.

The Commissioner has submitted his report of investigation in the matter, indicating that the certificates sought herein are steps to facilitate the proposed acquisition of Commerce Bank by BB&T Financial Corporation, Wilson, North Carolina, pursuant to Chapter 15 of Title 6.1 of the Code of Virginia.

Now having considered the applications and the report and recommendation of the Commissioner of Financial Institutions, the Commission is of the opinion that the certificates of authority applied for should be granted. The Commission ascertains, with respect to the provisions of Section 6.1-13: (1) that all provisions of law have been complied with; (2) that the stock of the interim bank has been subscribed and the resulting bank's capital will be an amount deemed sufficient for successful operation, i.,e., capital stock $6,813,000, surplus and reserve for operations not less than $39,780,000; (3) that the oaths of all directors have been taken and filed in accordance with the provisions of Virginia Code Section 6.1-48; (4) that the applicants were formed for no other reason than a legitimate banking business; (5) that the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed banks are such as to command the confidence of the community in which the applicant is proposed to be located; and (6) that the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation. And, the Commission is of the opinion and finds that granting the certificates sought herein will be in the public interest.

IT IS THEREFORE ORDERED that a certificate of authority to do a banking business be granted to Branch Banking and Trust Company of Virginia, an Interim Bank, and a certificate hereby is granted.

AND IT IS FURTHER ORDERED, effective upon the issuance by the Clerk of the Commission of a certificate of merger merging Branch Banking and Trust Company of Virginia, an Interim Bank into Commerce Bank, that the resulting bank be authorized to do a banking and trust business at 3450 Pacific Avenue, City of Virginia Beach, Virginia and elsewhere in this state as authorized by law.

CASE NO. BFI940799
OCTOBER 28, 1994

APPLICATION OF
NATIONSBANK CORPORATION

Pursuant to Section 6.1-406.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came NationsBank Corporation and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire Consolidated Bank, National Association, Hialeah, Florida. The application was referred to the Bureau of Financial Institutions.

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

CASE NO. BFI940800
NOVEMBER 15, 1994

APPLICATION OF
CAPITAL ONE FINANCIAL CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

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

Having considered the application and the report of the Bureau of Financial Institutions, the Commission is of the opinion and finds that there has been compliance with the prerequisites set forth in Virginia Code Section 6.1-383.1 and 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 Capital One Bank by Capital One Financial Corporation. Provided however, all new directors and officers of Capital One Bank appointed in connection with the transactions described in this application shall be subject to approval by the Commissioner of Financial Institutions.

CASE NO. BFI940804
NOVEMBER 18, 1994

APPLICATION OF
F & M BANK - MASSANUTTEN

For a certificate of authority to: (1) do a banking and trust business upon the merger of F & M Bank - Broadway into F & M Bank - Massanutten under the charter and title of F & M Bank - Massanutten; and (2) operate the main office of the now F & M Bank - Broadway

ON A FORMER DAY came F & M Bank - Massanutten, the surviving bank in a proposed merger with F & M Bank - Broadway, 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 1855 East Market Street, City of Harrisonburg, Virginia, and elsewhere in this State as it may now or hereafter be authorized by law; and (2) authority to operate the main office of the now F & M Bank - Broadway at 153 North Main Street, Broadway, Rockingham County, Virginia as a branch office. 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 F & M Bank - Broadway into F & M Bank - Massanutten, 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 $2,028,408 and its surplus and reserve for operations will amount to not less than $12,931,869; (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, F & M Bank - Massanutten, the surviving bank in such merger, to operate the main office of the now F & M Bank - Broadway as a branch office.

IT IS THEREFORE, ORDERED:

That effective upon the issuance by the Commission of a certificate of merger to F & M Bank - Massanutten, the surviving bank in a proposed merger with F & M Bank - Broadway, a certificate be, and is hereby, granted to F & M Bank - Massanutten authorizing it to do a banking and trust business at 1855 East Market Street, City of Harrisonburg, Virginia and elsewhere in this State as authorized by law and to operate the main office of the now F & M Bank - Broadway as a branch office.

CASE NO. BFI940805
DECEMBER 7, 1994

APPLICATION OF
PREMIER BANKSHARES CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came Premier Bankshares Corporation, Tazewell, Virginia, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Dickenson - Buchanan Bank, Haysi, 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 Dickenson - Buchanan Bank by Premier Bankshares Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI940849
DECEMBER 19, 1994

APPLICATION OF
HEALTH SERVICES CORPORATION OF AMERICA

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Health Services Corporation of America, a Missouri corporation, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 51 percent ownership of Virginia Healthcare Finance Center, 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 51 percent ownership of Virginia Healthcare Finance Center, Inc. by Health Services Corporation of America and orders that this matter be placed among the ended cases.

CASE NO. BFI940857
DECEMBER 19, 1994

APPLICATION OF
VALLEY FINANCIAL CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came Valley Financial Corporation, Roanoke, Virginia, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Valley Bank, National Association, Roanoke, 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 Valley Bank, National Association by Valley Financial Corporation and orders that this matter be placed among the ended cases.

CASE NO. BFI940875
DECEMBER 13, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

v.

UNITED COMPANIES LENDING CORPORATION, d/b/a UNICOR MORTGAGE,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY the Staff reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Virginia Code; that during the course of examinations of the Defendant's business records, the Company was cited for violating various laws applicable to the conduct of its business; that upon being informed that the Commissioner of Financial Institutions intended to recommend the imposition of a penalty therefor, the Defendant, by its counsel, without admitting or denying the reported violations, offered to settle this case by payment of a penalty in the sum of ten thousand dollars ($10,000), tendered said sum to the Commonwealth, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under Virginia Code § 12.1-15.

ACCORDINGLY, IT IS ORDERED:

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

(2) That this case be, and is hereby dismissed; and

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

CLERK'S OFFICE

CASE NO. CLK930730
JANUARY 31, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
ALEX M. AKBAR,
Petitioner
v.
THE WESTON COMPANY,
Defendant

FINAL ORDER AND JUDGMENT

THIS MATTER was instituted by Rule to Show Cause entered on August 13, 1993, upon the petition of Alex M. Akbar, pro se. Counsel for The Weston Company timely filed in one document an Answer, Grounds of Defense and Motion to Dismiss on behalf of Defendant. The motion to dismiss the proceeding was granted, in part, and denied, in part, by order dated October 29, 1993. This order also continued the hearing date to December 7, 1993, and limited the issues that would be heard to the allegations concerning securities fraud.

At the hearing conducted on December 7, 1993, the Commission received the testimony and exhibits of Mr. Akbar and Mr. Thomas R. Weston, President of Defendant. At the conclusion of the evidentiary presentations, the parties made closing arguments, and the Commission took the matter under advisement.

THE COMMISSION, upon consideration of the pleadings, evidence and arguments, is of the opinion and finds that while Defendant's dealings in connection with Mr. Akbar's purchase of its shares may have been less than forthright and candid, the evidence is insufficient to show that such actions amount to the unlawful activity proscribed by Va. Code § 13.1-502. Consequently, Mr. Akbar's petition should be dismissed. It is, therefore,

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

BUREAU OF INSURANCE

CASE NO. INS900174
JULY 21, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CAROLYN V. PENCE,
Defendant

ORDER REVOKING LICENSE

WHEREAS, by Rule to Show Cause entered herein May 12, 1994, Defendant was ordered to appear before the Commission and show cause why Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia should not be revoked and why the Commission should not impose a monetary penalty for Defendant's violation of an order of the Commission;

WHEREAS, on July 19, 1994, the Commission conducted the aforesaid Rule to Show Cause hearing where the Bureau of Insurance appeared represented by counsel and the Defendant appeared pro se; and

THE COMMISSION, having considered the evidence and the testimony adduced at the hearing, is of the opinion that Defendant willfully violated the terms and conditions, which were incorporated by reference, in the Final Order entered in this proceeding by the Commission;

THEREFORE, IT IS ORDERED:

(1) That, pursuant to Virginia Code § 38.2-1831, the licenses of Defendant to transact the business of insurance in the Commonwealth of Virginia as an insurance agent be, and they are hereby, REVOKED; and

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

CASE NO. INS900174
AUGUST 11, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CAROLYN V. PENCE,
Defendant

ORDER DENYING PETITION FOR RECONSIDERATION AND REHEARING

ON A FORMER DAY came Defendant, by counsel, and filed with the Clerk of the Commission a Petition for Reconsideration and Rehearing; 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 that the Petition for Reconsideration and Rehearing filed herein by Defendant be, and it is hereby, DENIED.

CASE NO. INS900174
NOVEMBER 21, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CAROLYN V. PENCE,
Defendant

OPINION

On May 21, 1990, the Commission issued a Rule to Show Cause against Carolyn V. Pence and the Snyder-Pence Insurance Agency, Inc. ("Defendants") alleging the following violations of Title 38.2 of the Code of Virginia: (1) failing to hold premiums and return premiums in a fiduciary capacity and failing to pay premiums to insurer or insurer's assignee when due (Virginia Code § 38.2-1813); (2) signing or allowing applicants to sign incomplete or blank forms pertaining to insurance (Virginia Code § 38.2-1804); (3) charging interest on credit extended for the policy premium in excess of 1 1/2% per month of the unpaid balance (Virginia Code § 38.2-1806); and, (4) making false or fraudulent statements or representations on, or relative to, an application for an insurance policy for the purpose of obtaining a commission from an insurer (Virginia Code § 38.2-512). On July 17 and September 13, 1990, a hearing was held before Hearing Examiner Howard P. Anderson, Jr. The Bureau of Insurance of the State Corporation Commission ("Bureau") and Defendants both presented evidence.

On December 21, 1990, the Hearing Examiner issued a Report containing findings that the evidence was sufficient to show two violations of Virginia Code § 38.2-1813, six violations of Virginia Code § 38.2-1804, and two violations of Virginia Code § 38.2-1806, but that it was insufficient to show any violation of Virginia Code § 38.2-512. The Hearing Examiner recommended revocation of Defendants' licenses and the imposition of a $1,000 fine for each of the two violations of Virginia Code § 38.2-1813 and for each of the six violations of Virginia Code § 38.2-1804, and a $100 fine for each of the two violations of Virginia Code § 38.2-1806, totaling $8,200. Defendants filed a response to the Hearing Examiner's Report. In its Judgment Order dated February 25, 1991, the Commission adopted the Hearing Examiner's findings of fact and conclusions of law and revoked Defendants' insurance agent licenses, and fined Defendants the amount of $8,200.

On March 4, 1991, Defendants filed a Petition for Reconsideration and Rehearing. The Petition stated that the penalties and fines levied in the February 25, 1991 Order were an inappropriately harsh punishment for the alleged offenses. The Commission granted Defendants' Petition for Reconsideration and Rehearing and suspended its February 25, 1991 Order to permit the taking of evidence on the subject of mitigation of the penalties imposed.

On March 20, 1991, Defendants and the Bureau presented evidence and oral argument pertaining to mitigation of the previously imposed penalties. On May 31, 1991, the Commission issued a Preliminary Order reducing the total monetary penalties from $8,200 to $5,000, and allowing Defendants to retain their licenses under certain conditions -- that is suspending for a period of one year the revocation of Defendants' licenses, pending a re-examination by the Bureau and a report to the Commission by the Bureau upon which a final Commission decision and judgment order would be based. The Bureau was ordered to conduct an unannounced examination of Defendants beginning within eight months of May 31, 1991, and to file its report no later than 12 months after the same date.

On March 13, 1992, the Bureau filed the Report of its examination of the Defendants' books and records for the period from January 31 through December 31, 1991. According to the Report, the Bureau found that Defendants continued to violate provisions of Title 38.2 of the Virginia Code during the audited period. By Order dated March 25, 1992, the Commission directed Defendants to file a response to the Bureau's Report within 21 days of the Order date. Defendants requested an extension of time to respond to the Bureau's Report, and by Order dated April 22, 1992, the Commission granted Defendants an extension until May 15, 1992. On May 20, 1992, the Commission issued an Order Confirming Revocation of Defendants' Licenses, noting that Defendants had not paid the $5,000 penalty, and had failed to file a response to the Bureau's Report. The Commission lifted the suspension of the Defendants' license revocation, thus confirming the revocation. On May 21, 1992, the Bureau received a letter from Carolyn V. Pence in response to the Bureau's Report.

On May 28, 1992, Defendants filed a Petition to Vacate Order Lifting Suspension, requesting that the Commission vacate its May 20, 1992 Order. On June 1, 1992, the Bureau filed a response to that Petition, to which Defendants replied on June 5, 1992.

By Order dated June 9, 1992, the Commission issued a Vacating Order, granting Defendants' Petition to Vacate Order Lifting Suspension and vacating the Order Confirming Revocation of Defendants' Licenses (entered May 20, 1992), until a further hearing could be held.

On September 15, 1992, the Commission entered an order which postponed the hearing previously scheduled for September 9, 1992, and set a new hearing date for October 28, 1992.

In early October 1992, the Commission was advised by the Bureau's counsel that the Bureau and Defendants were engaged in settlement negotiations. By letter dated October 30, 1992, Defendants made an offer of settlement wherein they agreed:

1. The Snyder-Pence Insurance Agency, Inc. agreed to voluntarily surrender its insurance agent's license by December 31, 1992, and sell or transfer the agency's insurance book of business.

2. Ms. Pence agreed to pay all claims against the Snyder-Pence Insurance Agency, Inc. presented or unpaid after the agency ceased operations.

3. All new contracts for insurance procured by Ms. Pence would be written through the insurance agency of Gary Smith & Co., Inc.

4. By December 31, 1992, Defendants would satisfy the outstanding indebtedness to Prime Rate Premium Finance Company in the amount of $3,239.50.

5. By December 31, 1992, Defendants would pay $3,500.00 to the Commonwealth in lieu of the previously ordered penalty of $5,000.00.

6. The Order dated May 20, 1992, that revoked Ms. Pence's license, would be vacated by the Commission.

By order entered on April 7, 1993, the Commission accepted Defendants' offer to settle the case pending against them and vacated the order revoking Ms. Pence's insurance agent licenses.

On May 12, 1994, the Commission issued a Rule to Show Cause against Ms. Pence alleging Ms. Pence violated the settlement agreement by acting as an insurance agent for Affiliated Agencies, Inc. A hearing was scheduled for June 27, 1994.

On June 7, 1994, counsel for the Bureau advised Ms. Pence by letter that the Bureau's investigation revealed that she was writing new business through Affiliated Agencies, Inc. in violation of the Commission's settlement agreement. The Bureau advised Ms. Pence that it had evidence that she wrote new business on behalf of Affiliated Agencies, Inc. and submitted applications to the following insurance companies:

Dairyland Insurance Company - 10 applications
Atlanta Casualty Company - 1 application
Globe American Casualty Company - 13 applications
Graward General Companies - 2 applications
Integon Insurance Company - 12 applications
Agents Insurance Markets - 4 applications
Virginia Automobile Insurance Plan - 75 applications

On June 20, 1994, Ms. Pence, appearing pro se, requested a postponement of the hearing to a date in July 1994. Ms. Pence's request was granted by the Commission and a hearing was scheduled for July 19, 1994.

On July 19, 1994, the Commission conducted a Rule to Show Cause hearing where the Bureau appeared by counsel and Ms. Pence appeared pro se. The Commission received testimony and evidence from the Bureau and from Ms. Pence. During the hearing, Ms. Pence was afforded an opportunity to cross-examine the Bureau's two witnesses.

After considering the testimony and evidence adduced at the July 19, 1994 hearing, the Commission found that Ms. Pence willfully violated the terms and conditions, which were incorporated by reference, in the Commission's Final Order entered on April 7, 1993. The Commission subsequently revoked Ms. Pence's insurance agent licenses.

Throughout this proceeding, the Commission has gone to extraordinary lengths to assure that Ms. Pence was afforded due process before the clear evidence of Ms. Pence's continued misconduct compelled the Commission to revoke Ms. Pence's insurance agent licenses. The evidence shows that barely one week after the Commission's Order of April 7, 1993 the defendant willfully violated its conditions. Ms. Pence has shown a complete inability or unwillingness to conform her professional conduct to the laws of this Commonwealth and the orders of this Commission, despite being given repeated opportunities by the Commission to do so. The public in this Commonwealth deserves the right to have their insurance affairs handled by insurance agents who are trustworthy and competent. The Commission would be ignoring its responsibilities to the public if it continued to permit an insurance agent such as Ms. Pence to remain in the insurance business.

The violations of Title 38.2 of the Code of Virginia committed by Ms. Pence were more than just technical noncompliance with a statute. Her actions have resulted in harm to the public. A case in-point involved the loss, by fire, of Mr. Russell Brown's farmhouse. Ms. Pence failed to forward Mr. Brown's application and premium downpayment to the insurance company until after Mr. Brown reported the loss of the farmhouse, and some three months after the application was taken and the premium paid. Mr. Brown was forced into litigation to determine whether coverage was in effect at the time of the loss. In addition, Ms. Pence has repeatedly demonstrated her inability to properly handle her client's monies. Ms. Pence's long tenure in the insurance business prompted the Commission to place the condition on Ms. Pence that she write all business through another insurance agency in order to have the revocation of her license vacated, which condition she promptly violated. Considering the foregoing, the Commission had no other option but to revoke Ms. Pence's insurance agent licenses.

CASE NO. INS910051
NOVEMBER 16, 1994

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein June 19, 1991, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, by order entered in the District Court of Travis County, Texas, Defendant was found to be insolvent and the Texas State Board of Insurance was ordered to liquidate the property and business affairs of Defendant;

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 November 30, 1994, 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 November 30, 1994, 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. INS910051
DECEMBER 6, 1994

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 16, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to November 30, 1994, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 30, 1994, 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 hard 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. INS910068
MARCH 9, 1994

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

THIRD ORDER IN AID OF RECEIVERSHIP

ON A FORMER DAY CAME the Deputy Receiver and filed with the Clerk of the Commission an Application for Third Order In Aid of Receivership (the "Application"), seeking various matters associated with the continuing efforts involved in the receivership proceedings of First Dominion Mutual Life Insurance Company ("First Dominion" or the "Company"), successor to Fidelity Bankers Life Insurance Company, in Receivership for Conservation and Rehabilitation ("Fidelity Bankers"). Specifically, the Deputy Receiver seeks an Order from the Commission that:

a. authorizes the Deputy Receiver to liquidate certain assets, claims, obligations, and liabilities through the Fidelity Bankers Life Insurance Company Trust (the "Trust"),

b. approves the "MANAGEMENT AGREEMENT" governing the management of First Dominion after implementation of the mutualization contemplated by the Rehabilitation Plan, and

c. 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 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 and decrees as follows:

1. In furtherance of the Rehabilitation Plan approved in our Final Order dated September 29, 1992, the remaining assets, claims, obligations, and liabilities of Fidelity Bankers should be liquidated through the Trust established by the Deputy Receiver to facilitate the orderly disposition of such matters. Pursuant to the Final Order, Fidelity Bankers has been mutualized, such that its successor, First Dominion, should segregate and retain the remaining assets, claims, obligations, and liabilities not transferred to Hartford Life Insurance Company ("Hartford"), not required to fund or administer the Opt-Out annuities or to properly capitalize First Dominion, and not otherwise deemed necessary by the Deputy Receiver. All remaining assets, claims, obligations, and liabilities should be transferred to the Trust for their management and orderly disposition.

2. The "MANAGEMENT AGREEMENT" attached to the Deputy Receiver's Application as Exhibit "A" should be approved as being in conformance with the Rehabilitation Plan, the Commission's Final Order of September 29, 1992 and applicable law and the transaction thereby implemented should further be ratified and approved for the same reason. The Agreement attached as Exhibit "A" to the Deputy Receiver's Application is intended by the Deputy Receiver to govern the relationship between First Dominion Mutual Life Insurance Company and its managing company, First Dominion Corporation in the immediate future. It is contemplated by the Deputy Receiver that, if possible, First Dominion Corporation will itself be sold to private interests as part of the final stages of the Rehabilitation Plan. At the time of such sale, it may be necessary to renegotiate the terms of the Management Agreement between First Dominion Mutual Life Insurance Company and First Dominion Corporation. For that reason, the Management Agreement attached as Exhibit "A" to the Application should be approved as an interim step. The Deputy Receiver should also be authorized by the Commission, however, to negotiate the terms of such agreement with any potential buyer of First Dominion Corporation as he, in his discretion, deems necessary and appropriate in order to maximize the potential proceeds of such sale, which will in turn inure to the benefit of Fidelity Bankers' policyholders and creditors by being added to the Trust assets.

3. In order to carry out the responsibilities imposed upon him by the Order Appointing Deputy Receiver for Conservation and Rehabilitation (the "Receivership Order"), the Deputy Receiver should be given the ability to conduct investigations and discovery with respect to matters related to the receivership, to marshal the assets of the receivership estate, to identify and redress the causes which made the receivership at Fidelity Bankers necessary, and to investigate and approve or defend claims made against the receivership estate. Accordingly, supplementation of the Commission Rules is required in the receivership proceedings to allow the Deputy Receiver to carry out his responsibilities. The Deputy Receiver, however, does not seek to modify in any way the Commission's Order of April 29, 1993, adopting supplemental rules of procedure in connection with the claims of Edward D. Simon and Charles P. Williams in case no. INS910068 or in connection with case nos. INS920085, INS920086, and INS930048. Thus, such matters should be deemed exempt from the adoption in this Order of supplemental rules of practice and procedure, such matters continuing to be controlled by the Commission's Order of April 29, 1993.

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

A. The remaining assets, claims, obligations, and liabilities of Fidelity Bankers, which were not transferred to Hartford, not required to fund or administer the Opt Out benefits or to properly capitalize First Dominion, and not otherwise deemed necessary by the Deputy Receiver, shall be transferred to and liquidated through the Trust, in order to facilitate an orderly disposition of such assets, claims, obligations, and liabilities.

B. The "MANAGEMENT AGREEMENT" attached to the Deputy Receiver's Application as Exhibit "A" is hereby approved and the Deputy Receiver is hereby authorized to renegotiate the terms of such agreement as he deems necessary in his discretion in order to sell it or its holder, First Dominion Corporation, for the benefit of the Trust and the Receivership Estate.

C. The Rules of Practice and Procedure of the State Corporation Commission ("SCC Rules") shall be supplemented, as appropriate, by Parts One, Two, Three and Four of the Rules of Supreme Court of Virginia ("Supplemental Rules"), attached as Exhibit "B" to the Deputy Receiver's Application, and as more fully set forth below, in the receivership proceedings, Case No. INS910068, other than with respect to the claims of Edward D. Simon and Charles P. Williams in case no. INS910068 or in connection with case nos. INS920085, INS920086, and INS930048, such matters continuing to be controlled by the Commission's Order of April 29, 1993. Accordingly, the Deputy Receiver shall have the ability 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 Rehabilitation Plan, Fidelity Bankers, First Dominion, and the Trust. All questions as to the appropriateness of the Supplemental Rules and all conflicts between the SCC Rules and the Rules of the Supreme Court of Virginia shall be resolved by the Commission. With greater particularity, the SCC Rules are hereby supplemented herein as follows:

Supplemental Rules of Practice and Procedure
in Aid of Receivership Proceedings

Table of Contents

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 Fidelity Bankers Life Insurance Company ("Fidelity Bankers") and its successor, First Dominion Mutual Life Insurance ("First Dominion") as a supplement to the Commission's standing Rules of Practice and Procedure ("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 Supreme Court of Virginia ("Virginia Rules") as may be necessary to facilitate the orderly investigation, discovery and disposition of certain matters in these Receivership Proceedings. To 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 Fidelity Bankers or First Dominion 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, or in any adjacent city or county.

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 a subpoena, or of the contumacy of a witness appearing before the Deputy Receiver or his designated representative, the Deputy Receiver may invoke the aid of the Commission pursuant to Virginia Rule 4:12, and the Commission may issue an order requiring the person subpoenaed to obey the subpoena to give evidence or produce books, accounts, records, papers, and correspondence or other records respecting the matter in question. Any failure to obey such an order of the Commission may be punished as contempt by the Commission.

3:4 Applications 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 the Supplemental Rules.

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.

D. All authority granted to the Deputy Receiver in this Order is in addition to that accorded to the Deputy Receiver pursuant 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 NOS. INS910068, INS920085, INS920086, INS930048, INS930380, and INS930505
JUNE 27, 1994

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

PETITION OF
EDWARD D. SIMON

For Review of Deputy Receiver's Determination of Appeal

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

For Review of Deputy Receiver's Determination of Appeal

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

STEVEN T. FOSTER, COMMISSIONER OF INSURANCE,
BUREAU OF INSURANCE, STATE CORPORATION COMMISSION
AS DEPUTY RECEIVER OF FIDELITY BANKERS LIFE INSURANCE COMPANY
Petitioner,
v.
HEINZ A. BRIEGEL, and FLOYD T. JOYNER, JR.,
Defendants.

STEVEN T. FOSTER, COMMISSIONER OF INSURANCE,
BUREAU OF INSURANCE, STATE CORPORATION COMMISSION
AS DEPUTY RECEIVER OF FIDELITY BANKERS LIFE INSURANCE COMPANY
Petitioner,
v.
THE AETNA CASUALTY AND SURETY COMPANY
EDWARD D. SIMON, CHARLES P. WILLIAMS, HEINZ A. BRIEGEL,
FLOYD T. JOYNER, JR., EDWARD L. KURTZ, T. CHANDLER MARTIN, JR.,
ROBERT I. WEINGARTEN, JR., and GERRY R. GINSBERG,
Defendants.

ORDER APPROVING SETTLEMENT AND DISMISSING LAWSUITS

This day came Steven T. Foster, Commissioner of Insurance, as Deputy Receiver of Fidelity Bankers Life Insurance Company, and as Trustee of the Fidelity Bankers Life Insurance Company Trust; First Dominion Mutual Life Insurance Company; Edward D. Simon ("Simon"); Charles P. Williams ("Williams"); Edward L. Kurtz ("Kurtz"); Heinz A. Briegel ("Briegel"); Floyd T. Joyner, Jr., ("Joyner"); T. Chandler Martin, Jr., ("Martin"); and the Aetna Casualty and Surety Company ("Aetna") (collectively, the "Parties"), all by counsel, and represented to the Commission that they had entered into an agreement for settlement of certain claims among them, and tendering their Settlement Agreement and Mutual Release (the "Settlement"), the Parties requested the Commission's approval thereof.

Whereupon, on consideration of the Settlement and representations made on behalf of the Parties, the Commission finds that the Parties have entered into the Settlement in good faith, and

It is ordered:

(1) That the Settlement, a copy of which is attached to this order be, and the same hereby is, approved;

(2) That Case Numbers INS930048, INS930380, INS920085 and INS920086 are hereby dismissed with prejudice;

(3) That Case No. INS930505 is hereby dismissed with prejudice as to Aetna, Simon, Williams, Kurtz, Briegel, Joyner and Martin, and said case is dismissed without prejudice as to Robert R. Weingarten and Gerry R. Ginsberg;

(4) That all claims asserted by Aetna, Simon, Williams, Kurtz, Briegel, Joyner, and Martin in Case Number INS910068 (including, without limitation, proofs of claim filed therein), are hereby dismissed with prejudice; and

(5) That the cases enumerated above with the exception of Case Number INS910068 shall be removed from the Commission's docket and placed among its ended causes.

NOTE: A copy of Attachment A entitled "Settlement Agreement and Mutual Release" 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. INS910250
OCTOBER 3, 1994

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

FINAL ORDER

WHEREAS, by order entered herein September 12, 1991, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, Defendant has been released from supervision by the insurance department of its state of domicile and its operation is no longer hazardous to its policyholders or the public;

WHEREAS, Defendant has increased its security deposit with the Treasurer of Virginia to $200,000, pursuant to Virginia Code § 38.2-1045; and

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

THEREFORE, IT IS ORDERED that the order suspending Defendant's license to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, VACATED.

CASE NO. INS910254
NOVEMBER 10, 1994

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein September 17, 1991, 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 the State of California for the County of Los Angeles, Defendant was found insolvent and was ordered to be liquidated by the California Department of Insurance; 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 November 22, 1994, 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 November 22, 1994, 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. INS910254
NOVEMBER 30, 1994

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 10, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to November 22, 1994, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 22, 1994, 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, 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 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. INS920258
APRIL 13, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GEORGE H. COSBY, III,
Defendant

OPINION

The Commission considered the entire record herein, the findings of fact, conclusions of law, recommendations of its Hearing Examiner, and the comments and objections to the Hearing Examiner's Report filed by the Defendant, before adopting the Hearing Examiner's findings of fact and conclusions of law as its own.

Having found by clear and convincing evidence that the Defendant violated Virginia Code §§ 38.2-1804, 38.2-1813, and 38.2-1822.A, the Commission revoked Defendant's licenses to transact the business of insurance in the Commonwealth of Virginia as an insurance agent and penalized Defendant a sum of two hundred and fifty dollars ($250) for each violation of the Code of Virginia.

CASE NO. INS920259
APRIL 4, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KEVIN M. URBINE,
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 §§ 38.2-1802 and 38.2-4809 as set forth in the Rule to Show Cause entered herein;

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 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 voluntarily surrendered all of his licenses to transact the business of insurance in the Commonwealth of Virginia, 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 §§ 38.2-1802 or 38.2-4809; and

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

CASE NO. INS920261
APRIL 4, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ATLANTIC AVIATION & MARINE, 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, may have violated Virginia Code § 38.2-1802 as set forth in the Rule to Show Cause entered herein;

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, without admitting any violation of any law, has made an offer of settlement to the Commission wherein Defendant has voluntarily surrendered all of its licenses to transact the business of insurance in the Commonwealth of Virginia, 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 § 38.2-1802; and

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

CASE NO. INS930072
APRIL 1, 1994

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

ORDER DISSOLVING TEMPORARY INJUNCTION

ON MOTION of the Bureau of Insurance, by counsel, and because the Commissioner of Insurance of the State of Colorado has advised the Bureau of Insurance that Colorado has determined that, now and as of March 31, 1994, defendant National Home Insurance Company, A Risk Retention Group ("NHIC"), meets the $2,000,000.00 minimum qualifications required of a casualty insurance company in the State of Colorado,

IT IS ORDERED (i) that the temporary injunction entered herein July 2, 1993, against defendant NHIC, from and after March 31, 1994 be, and it is hereby, DISSOLVED and (ii) that the hearing scheduled for April 19, 1994 be, and it is hereby, DISMISSED and stricken from the Commission's docket.

CASE NO. INS930385
MARCH 21, 1994

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE

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

OPINION

On August 12, 1993, the National Council on Compensation Insurance ("NCCI") filed with the Clerk of the Commission an application that proposed for the first time advisory loss costs for the voluntary workers' compensation insurance market and an application that proposed to revise rates for the assigned risk workers' compensation insurance market. NCCI proposed an overall loss costs increase of 17.5 percent for the voluntary market and an overall assigned risk premium level increase of 35.8 percent.

On August 12, 1993, the Commission entered an Order Scheduling Hearing, wherein the Commission ordered that a proceeding be instituted to investigate and determine (a) whether the rates and advisory loss costs as set forth in the filings are excessive, inadequate, or unfairly discriminatory and (b) any other matter which may be the proper subject of investigation. The order further provided that all persons who intended to participate in the case as Protestants were required to file their direct testimony and exhibits of each of their witnesses on or before September 20, 1993. NCCI was provided until October 6, 1993, to file any rebuttal testimony and exhibits.

In its prefiled direct testimony, the Bureau of Insurance recommended to the Commission that overall loss costs should be decreased by 2.3 percent and that the overall assigned risk premium level should be increased by 1.7 percent. The Division of Consumer Counsel of the Office of the Attorney General recommended a 6.7 percent increase in overall loss costs and a 13.0 percent increase in the assigned risk premium level. The Attorney General subsequently reduced its recommended increase in overall loss costs to 5.9 percent and its recommended increase in assigned risk premium level to 12.2 percent. The Virginia Workers' Compensation Coalition and the Washington Construction Employers Association and the Iron Workers Employers Association recommended a 9.8 percent increase in overall loss costs and an 18.3 percent increase in the assigned risk premium level.

Beginning on October 12, 1993, and for the next three days, the Commission conducted a hearing on the two applications filed by NCCI, where it received into evidence the direct and rebuttal testimony and exhibits of the witnesses for NCCI, the Bureau of Insurance, the Division of Consumer Counsel of the Office of the Attorney General, the Virginia Workers' Compensation Coalition, and the Washington Construction Employers Association and Iron Workers Employers Association.

During the proceeding, a question arose with respect to whether Chapter 19 of Title 38.2, as amended effective January 1, 1994, requires or permits the inclusion of "excess assigned risk market losses," a term used by counsel for NCCI in its Post-Hearing Brief, to be combined with the loss costs of the voluntary market for the purpose of NCCI's determining advisory loss costs for the voluntary market pursuant to Chapter 19.

We have considered this question and note that Chapter 19 of Title 38.2, as amended effective January 1, 1994, makes no reference, direct or indirect, to "excess assigned risk market losses" or the functional equivalent thereof. In fact, Virginia Code § 38.2-1902.B.1. provides that Chapter 19 has no application to insurance written through the Virginia Workers' Compensation Plan, i.e. the assigned risk or involuntary market. Thus, when construing the definition of the phrase "prospective loss costs" contained in Virginia Code § 38.2-1901, as amended effective January 1, 1994, it is our opinion that such phrase refers to prospective loss costs of the voluntary market. Accordingly, we hold that advisory loss costs for the voluntary market proposed by rate service organization pursuant to Chapter 19 of Title 38.2, as amended effective January 1, 1994, may not contain and shall not reflect any loss costs relative to the involuntary or

assigned risk market. Nevertheless, and notwithstanding our holding, any insurer may include in its final rates for the voluntary market, through its expense multiplier, a subsidy to account for any "shortfall" the insurer may perceive in the involuntary or assigned risk rates approved by the Commission. Because insurers who write in the voluntary market are required by Virginia law to participate in the involuntary or assigned risk market, the inclusion of such a subsidy in the final rates filed with the Commission for the voluntary market constitutes an appropriate means of recovering a mandatory cost of doing business in the voluntary market. Moreover, it would appear that such a procedure will result in a greater rate variation in the voluntary market and, ultimately, greater competition in that market, one of the stated purposes set forth in Virginia Code § 38.2-1900.

Finally, we would observe that there is evidence in the record that an increasing number of insurers have opted to take direct assignments of assigned risk business in lieu of participating in the Workers Compensation Plan reinsurance pool. Were Commission-approved loss costs for the voluntary market or assigned risk to contain a "subsidy" for the involuntary market as advocated by NCCI, such loss costs may be excessive for such direct assignment insurers because their cost of accepting assigned risk business may be lower than their cost of participating in the reinsurance pool. Otherwise, it would appear that there would be no incentive to take direct assignments. Moreover, were Commission-approved loss costs to contain a subsidy for the involuntary market, there is nothing under the insurer rate-filing provisions of Chapter 19 which would proscribe an insurer's increasing its final rates for the voluntary market in an even greater amount by including an *additional* subsidy through its expense multiplier for perceived shortfalls in the involuntary market rate. Accordingly, notwithstanding our opinion with respect to the impermissibility of including a subsidy for the assigned risk market in loss costs for the voluntary market, we believe that any such subsidy is best left to the discretion of each insurer based upon its own individual experience in the assigned risk market.

Several components make up the approved overall change of 10.2 percent due to experience. We have elected the paid plus case losses methodology as recommended by Bureau of Insurance witness Grippa because it provides the most comprehensive basis for estimating the ultimate loss experience in Virginia. Moreover, we have determined that the use of two policy years of experience, as advocated by NCCI and other parties, provides a more reliable basis for making rates than one policy year and one accident year as proposed by Bureau of Insurance witness Grippa. We also determined to use a five-year dollar-weighted average to compute loss development as advocated by Bureau of Insurance witness Grippa because it provides for greater responsiveness and stability in making rates than the three year unweighted or straight average proposed by NCCI and other parties.

With respect to the indemnity tail factor, we elected to employ a factor based on averaging the 1991 and 1992 factors as proposed by NCCI because the indemnity tail factors by year were sufficiently consistent with one another and with data in prior filings. With respect to the medical tail factor, because the 1991 factor was significantly higher than the 1990 and 1992 factors and because no convincing support was offered that such a factor could be expected to recur, we determined to take the average of the 1990 and 1992 factors as advocated by Bureau of Insurance witness Grippa.

We also determined to use a five year "growth factor" in the calculation of the tail development factors as advocated by NCCI witness Miller and as concurred in by witnesses Grippa and Stergiou. We did so because identification of the specific policy years from which loss development arises in the development beyond the twelfth report is not possible from the data source. It is reasonable to assume that some of the tail development comes from policy years more than fifteen years old and, therefore, a five-year factor to account for the increase in the volume to current times is reasonable.

We also elected to accept NCCI's loss development triangles on a paid plus case basis in which the prior years' data are "cleansed" to reflect data corrections. While there was no specific evidence offered that one data set was more accurate than the others, we note that the "cleansed" data used by NCCI reflects more current editing.

Several components make up the change of 1.1 percent due to trend. In this regard we selected an annual trend of 2.0 percent for indemnity and 5.5 percent for medical based on Attorney General witness Schwartz's methodologies. The annual trend is sensitive to the number of years used in the calculation. By viewing all of the annual trend amounts resulting from a number of different years of experience entering the formula, we were able to discern an appropriate average amount. Moreover, we determined to assign 100 percent credibility to Virginia medical and indemnity loss experience contrary to the procedure proposed by NCCI. We did so because we believe that it is more reasonable to rely solely on the experience of Virginia employers, which is close to being 100 percent credible according to proposed actuarial standards, than mixing Virginia experience with that of other states. Further, there was not sufficient evidence to support the assumption that elements to which the complement of credibility was applied would be applicable to Virginia experience.

We also elected to accept the factors proposed by NCCI with respect to (i) change in expenses, (ii) benefits, (iii) loss adjustment expense and (iv) taxes. With the exception of Schwartz's alternate proposal with respect to NCCI's proposed change in expenses, all of the parties concurred in these proposals. We also accepted and approved as reasonable the proposed expense constant of $160.

NCCI also calculated a 47 percent differential between voluntary and assigned risk loss costs and we accept that calculation. Accordingly, because of our holding above that loss costs for the voluntary market shall not contain any loss costs attributable to the assigned risk market, a factor of 0.917 should be employed in the removal of the assigned risk subsidy inherent in NCCI's filing for voluntary loss costs.

We also elected to set at 27 percent of current rates the expected assigned risk plan share of the market for the year for which rates are being calculated based on consideration of both the testimony of NCCI witness Miller and Bureau of Insurance witness Grippa. Moreover, we elected to accept as reasonably supported the proposed increase from 10 percent to 15 percent in the assigned risk premium surcharge and we permitted the discontinuation of the assigned risk premium discount program. None of the parties to the proceeding contested these proposals.

As in years past, we accepted an internal rate of return model proposed by NCCI as an appropriate means by which to determine a profit and contingency factor. The profit and contingency factor is comprised of several components. First, we determined that an appropriate cost of capital is 11.88 percent based on the evidence in this record. This reflects the 80/20 equity-to-debt ratio we first adopted in the 1991 NCCI rate proceedings. No evidence was presented in this proceeding which we believe would warrant a change in the equity-to-debt ratio.

Moreover, we elected a cost of common equity of 12.75 percent. NCCI proposed a cost of common equity of 13.48 percent and the Bureau of Insurance proposed a cost of 12.55 percent. In the 1991 NCCI rate proceeding, we approved a cost of common equity of 13.0 percent. The record in this proceeding clearly indicates that capital costs have declined since 1991. Accordingly, we find that a 12.75 percent cost of common equity is appropriate based on the recommendation of Bureau of Insurance witness Parcell after an adjustment to remove those companies not presently writing property and casualty insurance from Parcell's group of property and casualty insurers.

NCCI witness Borba proposed use of the current, or marginal, cost of long-term debt for the property and casualty industry. Bureau of Insurance witness Parcell proposed use of the actual, or embedded, cost of long-term debt. The Commission has, in prior NCCI cases, used the actual cost of debt. We find no evidence in this record which warrants a change in this practice. Accordingly, we accept the 8.4 percent cost of debt proposed by witness Parcell.

With respect to the investment income component of the internal rate of return model, we find that 6.9 percent on a pretax basis and 5.34 percent on a post-tax basis (before investment income expenses) investment income rate constitute reasonable returns. These returns reflect the Bureau of Insurance witness Parcell's recommendations for the mix of invested assets. Specifically, we rejected the inclusion of any provision for asset-liability matching because such a provision is not consistent with the actual investment policies of the property and casualty industry. We also accepted Bureau of Insurance witness Parcell's recommendations on expected returns, with one exception. NCCI proposed a 12.70 percent rate of return on the common stock portion of the investment portfolio of the property and casualty industry, while the Bureau's witness proposed 15 percent. We find that 13.5 percent represents a reasonable return on common stocks after a weighting of large company stocks and small company stocks that more closely reflects the investment policies of the overall property and casualty industry.

We also elected to accept the claims and expense payment schedule recommended by Bureau of Insurance witness Grippa because this schedule reconciled to the payment stream derivable from the paid loss development factors in the NCCI's proposal, whereas the claims payment stream proposed by the NCCI for use in the calculation of investment income was internally inconsistent with its own selected paid loss development factors. We also accepted the Bureau witness Ileo's recommendation of a reserve-to-surplus ratio of 2.75 percent which considers only loss and loss adjustment expense reserves as opposed to NCCI's proposed reserve-to-surplus ratio of 3.42 percent which inappropriately takes into account unearned premium reserves in addition to loss and loss adjustment expense reserves.

NCCI proposed for the first time to include in the proposed internal rate of return model a provision for uncollectible premium of 2.8 percent. While none of the parties to this proceeding objected to the principle that provision should be made for uncollectible premium, the Bureau of Insurance did question the adequacy of support in the record for NCCI's proposed provision of 2.8 percent. Nevertheless, we believe that the record supports the approval of a limited provision of 2.0 percent for uncollectible premiums. However, future filings should contain at a minimum a history of uncollectible premiums as a percentage of written premium for each servicing carrier and the uncollectible premium as it relates to the number of risks insured by each servicing carrier.

The adjustments we have made to the NCCI-proposed change of 17.5 percent in loss costs for the voluntary market result in a total approved change of 2.6 percent. The adjustments we have made to the NCCI proposed change of 35.8 percent in assigned risk market premiums result in a total approved change of 17.0 percent. Similiar adjustments have been made with respect to NCCI-proposed changes for voluntary market loss costs for "F" classification and assigned risk market rates for "F" classifications which result, respectively, in approved changes of 2.5 percent and 16.9 percent.

CASE NO. INS930417
MAY 11, 1994

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

ORDER TO TAKE NOTICE

WHEREAS, by order entered herein October 7, 1993, Defendant consented to the entry of an order whereby Defendant agreed not to enroll any new Virginia domiciled participants except for newborn children or newly acquired dependents of existing participants until further order of the Commission; and

WHEREAS, Defendant failed to obtain an amendment in the law from the General Assembly to permit Defendant to operate in the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to May 25, 1994, ordering Defendant to cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1024, unless on or before May 25, 1994, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a responsive pleading and a request for a hearing.

CASE NO. INS930453
JANUARY 6, 1994

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 4, 1993, Defendant was ordered to take notice that the Commission would enter an order subsequent to November 15, 1993, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 15, 1993, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed revocation of Defendant's license;

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

WHEREAS, Defendant has withdrawn its request for a hearing;

THEREFORE, IT IS ORDERED:

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

(2) That the 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. INS930484
APRIL 22, 1994

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.B, 38.2-511, 38.2-606.8, 38.2-608, 38.2-609, 38.2-610, 38.2-1812.A, 38.2-1822.A, 38.2-1834.C, 38.2-3115.B and 38.2-3710, as well as , Section 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, Section VII(2) of the Commission's Rules Governing Life Insurance and Annuity Marketing Practices, Section 4 of the Commission's Rules Governing Unfair Claim Settlement Practices, and Section 10(2) of the Commission's Rules Governing Credit Life Insurance and Credit Accident and Sickness Insurance;

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

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

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

IT IS ORDERED:

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

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

CASE NO. INS930490
FEBRUARY 16, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ROBERT N. GEORGIEV,
Defendant

ORDER REVOKING LICENSE

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

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated November 23, 1993 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

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

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

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

THEREFORE, IT IS ORDERED:

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

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

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

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

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

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

CASE NO. INS930491
FEBRUARY 16, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JOEY L. TILLER,
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 § 38.2-1816 by failing to complete a forty-five (45) classroom hour study course approved by the Commission prior to taking the life and health insurance agent's examination;

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 23, 1993 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

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

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

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1816 by failing to complete a forty-five (45) classroom hour study course approved by the Commission prior to sitting for the life and health insurance agent's examination;

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. INS930492
FEBRUARY 16, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LOURIES AVERY,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.2-1805.A and the Cease and Desist Order entered in Case No.INS840022 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 November 23, 1993 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

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

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

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1805.A and the Cease and Desist Order entered in Case No. INS840022 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. INS930493
FEBRUARY 16, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HENRY A. TINSLEY,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.2-1805.A and the Cease and Desist Order entered by the Commission in Case No.INS840009 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 November 24, 1993 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

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

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

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1805.A and the Cease and Desist Order entered by the Commission in Case No. INS840009 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. INS930495
FEBRUARY 16, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CLIFFORD L. VANTERPOOL,
Defendant

ORDER REVOKING LICENSE

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

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated November 30, 1993 and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

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

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

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

THEREFORE, IT IS ORDERED:

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

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

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

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

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

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

CASE NO. INS930498
MARCH 8, 1994

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

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-1831 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke 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:

(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 §§ 38.2-512 or 38.2-1813; and

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

CASE NO. INS930520
MARCH 9, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JAMES P. SPENCER,
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 December 13, 1993, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

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

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

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1805.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. INS930531
JANUARY 6, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED REPUBLIC 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 September 29, 1993, the Third Judicial District Court in and for Salt Lake County, State of Utah found that Defendant is in a hazardous financial condition and is insolvent or about to become insolvent and directed the Insurance Commissioner of the State of Utah to seize Defendant; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to January 20, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before January 20, 1994, 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. INS930531
FEBRUARY 2, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein January 6, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to January 20, 1994, suspending the license of Defendant to transaction the business of insurance in the Commonwealth of Virginia unless on or before January 20, 1994, 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. INS940001
JANUARY 31, 1994

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated Virginia Code § 38.2-1408 by failing to authorize or approve certain investments made by the Company;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of 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 § 38.2-1408; and

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

CASE NO. INS940003
JANUARY 18, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE MUTUAL BENEFIT 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 November 10, 1993, in the Superior Court of New Jersey, Chancery Division - Mercer County, the court confirmed a First Amended Plan of Rehabilitation which provides for the company to be liquidated by its Rehabilitator, the Commissioner of Insurance for the State of New Jersey; 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 26, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before January 26, 1994, 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. INS940003
JANUARY 31, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein January 18, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to January 26, 1994, suspending the license of Defendant to transaction the business of insurance in the Commonwealth of Virginia unless on or before January 26, 1994, 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. INS940005
FEBRUARY 16, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JAMES C. LAPRADD,
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 § 38.2-1822 by acting as an insurance agent in the Commonwealth of Virginia without first obtaining a resident agent 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 a hearing before the Commission in this matter by certified letter dated January 12, 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 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 acting as an insurance agent in the Commonwealth of Virginia without first obtaining a resident agent license from the 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. INS940006
MAY 25, 1994

PETITION OF
ERIE INSURANCE EXCHANGE
and
ERIE INSURANCE COMPANY

For review of a decision by the Bureau of Insurance which disallowed the companies from taking 1990 and 1991 guaranty fund credits against 1992 premium tax liability

FINAL ORDER

ON A FORMER DAY came Erie Insurance Exchange and Erie Insurance Company (collectively "Erie"), by counsel, and filed with the Clerk of the Commission a Petition and a Supplemental Petition for review of a decision by the Bureau of Insurance which disallowed Erie from taking 1990 and 1991 guaranty fund credits against 1992 premium tax liability; and

THE COMMISSION, having considered the Petitions filed herein by Erie and the Response filed by the Bureau of Insurance is of the opinion that the Bureau of Insurance's (the "Bureau") former practice of requiring insurers to show a certificate of contribution to the Virginia Property and Casualty Guaranty

Association as an asset before permitting insurers to amortize the amount of such contribution estopped Erie from complying with the provisions of Va. Code § 38.2-1611.1.B, which require the amortized amount of the guaranty fund contribution for a certain year to be offset from the premium tax liability incurred on business transacted in this Commonwealth for that year. This resulted in Erie Insurance Exchange and Erie Insurance Company overpaying their 1990 and 1991 premium taxes in the amount of $111,872.73 and $10,616.00 respectively;

THEREFORE, IT IS ORDERED that the Comptroller of the Commonwealth issue warrants on the Treasurer of Virginia for Erie Insurance Exchange in the amount of $105,773.99 for refund of premium tax, $5,358.80 for a refund of penalties, and $739.94 for a refund of interest, and for Erie Insurance Company in the amount of $10,616.00 for a refund of premium tax, and send the same to Meg L. Rosthal, Assistant General Counsel, Erie Insurance Group, 100 Erie Insurance Place, P.O. Box 1699, Erie, Pennsylvania 16530.

CASE NO. INS940007
JANUARY 28, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GOSPEL ASSEMBLY MINISTERS FUND,
Defendant

CONSENT ORDER

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

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

CASE NO. INS940007
MAY 11, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GOSPEL ASSEMBLY MINISTERS FUND,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, by Order entered herein January 28, 1994, Defendant consented to the entry of an order whereby Defendant agreed not to enroll any new Virginia domiciled participants except for newborn children or newly acquired dependents of existing participants until further order of the Commission; and

WHEREAS, Defendant failed to obtain an amendment in the law from the General Assembly to permit Defendant to operate in the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to May 25, 1994, ordering Defendant to cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1024, unless on or before May 25, 1994, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a responsive pleading and a request for hearing.

CASE NO. INS940008
FEBRUARY 28, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE UNITED WAY OF THE VIRGINIA PENINSULA HEALTH AND DENTAL PLAN,
Defendant

CONSENT ORDER

By letter filed with the Clerk of the Commission, The United Way of the Virginia Peninsula Health and Dental Plan (the "Plan"), a self-funded, multiple employer welfare arrangement domiciled in the Commonwealth of Virginia, consented to the entry of an order wherein the Plan agreed: (i) to continue to pay all covered claims submitted by subscribers until such time as the Plan is no longer permitted to operate, including any run-off claims made in the event that the Plan is terminated; (ii) until further order of the Commission, not to add any new participating employers to the Plan; (iii) to provide a copy of the Consent Order to all participating employers; (iv) to use their best efforts to find a resolution so that the Plan, as currently operating, may comply with any applicable laws and regulations; and (v) if such resolution is not obtainable, the Plan shall discontinue operating on a self-funded basis on June 30, 1994.

THEREFORE, IT IS ORDERED:

(1) That the Plan shall continue to pay all covered claims submitted by subscribers until such time as the Plan is no longer permitted to operate, including any run-off claims made in the event that the Plan is terminated;

(2) That, until further order of the Commission, the Plan shall not add any new participating employers to the Plan;

(3) That the Plan shall provide a copy of the Consent Order to all participating employers;

(4) That the Plan shall use its best efforts to find a resolution so that the Plan, as currently operating, may comply with any applicable laws and regulations; and

(5) That if such resolution is not obtainable, the Plan shall discontinue operating on a self-funded basis on June 30, 1994.

CASE NO. INS940010
JANUARY 21, 1994

PETITION OF
PACIFIC STANDARD LIFE INSURANCE COMPANY

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

ORDER GRANTING APPROVAL OF PETITION

WHEREAS, by letter dated November 29, 1993 and pursuant to Virginia Code § 38.2-136.C., the Manager for the Conservator of Pacific Standard Life Insurance Company ("Pacific"), which is domiciled in the State of California, licensed to transact the business of life insurance and annuities in this Commonwealth, and under an order of conservation entered by the Superior Court of the State of California for the county of Yolo on December 11, 1989, petitioned the Commission to grant approval of the assumption reinsurance agreement by and among the Conservator of Pacific, Pacific and Hartford Life Insurance Company ("Hartford"), which is domiciled in the State of Connecticut and licensed to transact the business of life insurance and annuities in this Commonwealth, whereby Hartford has agreed to reinsure and assume certain term life contracts and immediate annuity contracts issued by Pacific, without reduction in account values or statutory reserves, as applicable, notwithstanding the requirements of Virginia Code § 38.2-136.B.; and

WHEREAS, the Bureau of Insurance has reviewed the petition herein and recommended that the Commission grant approval thereof,

THE COMMISSION, after having considered the petition herein, the recommendation of the Bureau of Insurance and the law applicable in this matter, is of the opinion and ORDERS that the petition of Pacific by its Conservator for approval of the aforesaid assumption reinsurance agreement by and among the Conservator of Pacific, Pacific and Hartford should be, and it is hereby, GRANTED.

CASE NO. INS940011
MAY 24, 1994

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-305, 38.2-510.A.6, 38.2-610, 38.2-1905, 38.2-1906.B, 38.2-2201, 38.2-2202, 38.2-2208, 38.2-2212 and 38.2-2220, as well as Section 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices;

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

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-305, 38.2-610, 38.2-2202 or 38.2-2220; and

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

CASE NO. INS9400014
FEBRUARY 9, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte in re: 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, 1994 as established in the Commission's December, 1993 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 Commercial 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.

CASE NO. INS940015
FEBRUARY 16, 1994

APPLICATION OF
SETTLERS LIFE INSURANCE COMPANY

For exemption from the provisions of Virginia Code §§ 38.2-1323 through 1327

ORDER GRANTING EXEMPTION

ON A FORMER DAY came Settlers Life Insurance Company ("SLIC"), a domestic insurance company, and, pursuant to Virginia Code § 38.2-1328, filed an application seeking an exemption from the provisions of Virginia Code §§ 38.2-1323 through 1327 in connection with a proposed transaction wherein Settlers Companies, Inc. ("SCI"), a Virginia-domiciled stock corporation, would exchange all of the voting shares of its capital stock for all of the voting shares of the capital stock of SLIC. Upon consummation of the transaction, all voting shares of the insurer would be owned by SCI and all voting shares of SCI would be owned by the same persons who currently own all the voting shares of SLIC. The proportion of ownership of voting securities among SLIC's current shareholders would remain the same among those shareholders as owners of the voting securities of SCI. Thus, control of SLIC would not effectively change;

AND THE COMMISSION, having considered the application of SLIC, the recommendation of the Bureau of Insurance that the application be approved and the law applicable in this matter, is of the opinion that the proposed acquisition of control of Settlers Life Insurance Company by Settlers Companies, Inc. is not made or entered into for the purpose of, and does not have the effect of, changing or influencing control of Settlers Life Insurance Company.

THEREFORE, IT IS ORDERED that the proposed transaction, as set forth in Exhibit A which is attached hereto and made a part hereof, be, and it is hereby, EXEMPTED from the provision of Virginia Code §§ 38.2-1323 through 38.2-1327.

CASE NO. INS940018
FEBRUARY 18, 1994

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

ORDER TO TAKE NOTICE

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

WHEREAS, Section 5 of the Commission's Rules Governing Multiple Employer Welfare Arrangements adopted in Case No. INS910244 requires not fully insured multiple employer welfare arrangements that operate in Virginia to become licensed as an insurance company, health maintenance organization, health services plan, or dental or optometric services plan, and it requires fully insured multiple employer welfare arrangements that operate in Virginia to make certain informational filings with the Commission; and

WHEREAS, based on an investigation conducted by the Bureau of Insurance, it appears that Defendants, a Virginia domiciled corporation and a trust with a situs in the Commonwealth of Virginia, have operated or are currently operating in the Commonwealth of Virginia without first complying with Section 5 of the Commission's Rules Governing Multiple Employer Welfare Arrangements;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter a cease and desist order subsequent to March 7, 1994, ordering Defendants to cease and desist from operating in the Commonwealth of Virginia unless on or before March 7, 1994, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS940020
APRIL 5, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RANDOLPH J. GRIGGS,
Defendant

ORDER REVOKING LICENSE

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

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated February 16, 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 his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

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

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

THEREFORE, IT IS ORDERED:

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

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

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

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

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

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

CASE NO. INS940020
APRIL 22, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RANDOLPH J. GRIGGS,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the order entered herein April 5, 1994, is hereby vacated.

CASE NO. INS940023
MARCH 3, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JOSEPH A. SILVESTRI,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, committed acts for which Defendant's license to transact the business of insurance in the Commonwealth of Virginia could be revoked pursuant to Virginia Code § 38.2-1831;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated February 3, 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 his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

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

THE COMMISSION is of the opinion and finds that Defendant has committed acts for which Defendant's license to transact the business of insurance in the Commonwealth of Virginia could be revoked pursuant to Virginia Code § 38.2-1831;

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. INS940024
APRIL 22, 1994

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examinaton conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-510.A.6, 38.2-510.C, 38.2-1822, 38.2-1906.B, 38.2-2202, 38.2-2208, 38.2-2212, and 38.2-2220, as well as Section 4.5 of the Commission's Rules Governing Insurance Premium Finance Companies, and Sections 5(a) and 9(d) of the Commission's Rules Governing Unfair Claim Settlement Practices;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of eleven thousand dollars ($11,000) 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. INS940034
MARCH 11, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in a letter filed herein, Defendant has requested that its license to transact the business of a health maintenance organization in the Commonwealth of Virginia be suspended;

THEREFORE, IT IS ORDERED:

(1) That, pursuant to Virginia Code § 38.2-4316, the license of Defendant to transact the business of a health maintenance organization in the Commonwealth of Virginia be, and it is hereby, SUSPENDED;

(2) That Defendant shall issue no new evidences of coverage in the Commonwealth of Virginia until further order of the Commission;

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

(4) That Defendant's agents shall transact no new 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. INS940035
APRIL 5, 1994

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 a certain instance, violated Virginia Code § 38.2-1331 by failing to acquire prior written approval from the Commission for a material transaction made between the company and one of its affiliates;

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

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

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code § 38.2-1331; and

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

CASE NO. INS940039
MAY 9, 1994

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, may have violated Virginia Code §§ 38.2-502.1 and 38.2-503 by selling whole life policies as retirement plans or savings plans from the Southeast Head Office Sales Office and other Metlife sales offices. A significant element of this practice was targeting nurses and other professionals;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of any law, has made an offer of settlement to the Commission wherein Defendant has: (i) tendered to the Commonwealth of Virginia the sum of five hundred ninety-eight thousand and eighty-three dollars ($598,083); (ii) waived its right to a hearing; (iii) agreed to the entry by the Commission of a cease and desist order as specified herein; (iv) agreed to implement and carry out its "Restitution Proposal" which is attached hereto as Attachment A and is made a part hereof; (v) agreed to offer restitution on the same terms as set forth in the "Restitution Proposal" to any current or former Virginia policyholder not included among the 1,429 policyholders previously identified by the Defendant who comes forward during the pendency of the restitution program and claims that he or she purchased a whole life policy based on misrepresentation of the policy as a retirement or savings plan, and that the Defendant shall, upon receipt of such request, promptly notify appropriate staff at the Bureau of Insurance of the name of the individual and the name of the agent who sold such policy to the individual; and (vi) agreed to implement and carry out its "Enhanced Compliance Program" which is attached hereto as Attachment B and is made a part hereof;

IT FURTHER APPEARING that the Bureau of Insurance and Defendant agree that this Settlement Order shall have no effect as to the rights or claims of any individuals except the Bureau of Insurance and the Defendant; 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 and 38.2-503; and

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

NOTE: A copy of Attachment A entitled "Restitution Proposal" 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. INS940043
MAY 3, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE GEORGE WASHINGTON UNIVERSITY HEALTH PLAN,
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, 38.2-510.A.14, 38.2-511, 38.2-610.A.2, 38.2-1812.A, 38.2-1822.A, 38.2-1833.A.1, 38.2-1834.C, 38.2-3407.1.B, 38.2-4301.C, 38.2-4306.B.1, 38.2-4312, 38.2-4313, as well as Sections 8.A.2 and 12.B of the Commission's Rules Governing Health Maintenance Organizations, Sections 6.B(1), 9.C and 13.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, and Section 8.C.2.f of the Commission's Rules Governing Underwriting Practices and Coverage Limitations and Exclusions for Acquired Immunodeficiency Syndrome (AIDS);

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 thousand dollars ($20,000) and has waived its right to a hearing; and

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

IT IS ORDERED:

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

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

CASE NO. INS940044
APRIL 25, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PIONEER LIFE INSURANCE COMPANY OF ILLINOIS,
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 §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.5, 38.2-510, 38.2-511, 38.2-610.A.2, 38.2-1812.A, 38.2-1822.A, 38.2-1834.C, 38.2-3405 and 38.2-3407.1, as well as Sections 5.A, 6.A(1), 6.A(2), 6.B(1), 9.A, 11, 17.A and 17.B of the Commission's Rules Governing Advertising of Accident and Sickness Insurance, Sections V(1)(a), V(1)(d), V(3)(b), V(4)(b), V(5)(a), V(6)(a) and VII(2) of the Commission's Rules Governing Life Insurance and Annuity Marketing Practices, and Section 7(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 twenty-four thousand dollars ($24,000) and has waived its right to a hearing;

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

IT IS ORDERED:

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

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

CASE NO. INS940045
MAY 3, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DENTICARE OF VIRGINIA, 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 dental services plan in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502, 38.2-503, 38.2-510.A.5, 38.2-511, 38.2-1812.A, 38.2-1833.A.1, and 38.2-1834.C;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-4517 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged 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 thirteen thousand dollars ($13,000) 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. INS940049
APRIL 18, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DENT-RITE ENTERPRISES, INC.,
Defendant

CONSENT ORDER

By letter filed with the Clerk of the Commission, Dent-Rite Enterprises, Inc. ("Dent-Rite"), a Maryland domiciled dental services plan operating in the Commonwealth of Virginia without first obtaining a license from the Commission, has agreed: (i) to wind-down orderly its business in Virginia by June 30, 1994; (ii) not to enroll any new Virginia employer groups; (iii) to pay all covered claims of Virginia subscribers by July 31, 1994; (iv) to provide notice to employer groups of the effective date of termination of coverage; and (v) to file an affidavit with the Bureau of Insurance within 90 days after termination of coverage confirming that all outstanding Virginia claims have been paid;

THEREFORE, IT IS ORDERED:

(1) That Dent-Rite shall wind-down orderly its business in Virginia by June 30, 1994;

(2) That Dent-Rite shall not enroll any new Virginia employer groups;

(3) That Dent-Rite shall pay all covered claims of Virginia subscribers by July 31, 1994;

(4) That Dent-Rite shall provide notice to employer groups of the effective date of termination of coverage; and

(5) That Dent-Rite shall file an affidavit with the Bureau of Insurance within 90 days after termination of coverage confirming that all outstanding Virginia claims have been paid.

CASE NO. INS940052
JUNE 1, 1994

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, not licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316, 38.2-1024 and 38.2-1027 by using certain accident and sickness insurance forms without first filing a copy of the form with the Commission, by transacting the business of insurance in the Commonwealth of Virginia without first obtaining a license from the Commission, and by failing to obtain a certificate of authority prior to transacting the business of insurance in 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) 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. INS940054
MAY 18, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ROGER HILL,
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 and 38.2-1813 by making false statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission, and by failing to remit timely refunds due certain policyholders;

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

IT FURTHER APPEARING that Defendant has been advised of his right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of 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 §§ 38.2-512 or 38.2-1813; and

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

CASE NO. INS940058
MAY 24, 1994

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

SETTLEMENT ORDER

IT APPEARING from an examination conducted by the Bureau of Insurance that Defendant may have violated Virginia Code § 38.2-1024 and that certain insurance agents may have violated Virginia Code § 38.2-1802;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of law and solely for the purpose of settlement, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), has waived its right to a hearing 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 as to all the alleged violations, including those on the part of agents, cited by the Bureau in connection with its examination referred to above, 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 §§ 38.2-1024 or 38.2-1802; and

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

CASE NO. INS940060
MAY 17, 1994

PETITION OF
RECEIVER OF AMERICAN INTEGRITY INSURANCE COMPANY

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

ORDER APPROVING ASSUMPTION REINSURANCE AGREEMENT

WHEREAS, delinquency proceedings have been instituted in the Commonwealth of Pennsylvania against American Integrity Insurance Company ("AIIC"), a Pennsylvania-domiciled insurer licensed in this Commonwealth to transact the business of insurance;

WHEREAS, the court-appointed receiver of AIIC, through an authorized representative, has requested that the Commission approve a proposed assumption reinsurance agreement wherein National Foundation Life Insurance Company ("NFL"), an insurer domiciled in the State of Delaware and not licensed by this Commission to transact the business of insurance in the Commonwealth of Virginia , would, upon cession by AIIC to NFL, reinsure and assume certain medicare supplement policies issued by AIIC to residents of the Commonwealth of Virginia;

WHEREAS, by resolution, the Board of Directors of the Virginia Life, Accident and Sickness Insurance Guaranty Association has agreed to indemnify said Virginia medicare supplement policyholders up to, and including, the limits required by Virginia law in the event that NFL does not satisfy the obligations of AIIC to the said Virginia medicare supplement policyholders; and

WHEREAS, the Bureau of Insurance has recommended that the Commission approve the proposed assumption reinsurance agreement between AIIC and NFL,

THE COMMISSION, having considered the petition on behalf of the receiver of AIIC, the agreement of the Virginia Life, Accident and Sickness Insurance Guaranty Association, and the recommendation of the Bureau of Insurance, is of the opinion, finds and ORDERS that the assumption reinsurance agreement between American Integrity Insurance Company and National Foundation Life Insurance Company be, and it is hereby, APPROVED.

CASE NO. INS940062
MAY 24, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DANIEL SILVERMAN,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, committed acts for which Defendant's license to transact the business of insurance in the Commonwealth of Virginia could be revoked pursuant to Virginia Code § 38.2-1831 when Defendant was convicted of felony bank fraud on February 14, 1992, in the United States District Court of Maryland;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated April 20, 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 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 committed acts for which Defendant's license to transact the business of insurance in the Commonwealth of Virginia should be revoked pursuant to Virginia Code § 38.2-1831 when Defendant was convicted of felony bank fraud on February 14, 1992, in the United States District Court of Maryland;

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. INS940064
JUNE 1, 1994

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-1822, 38.2-4806 and 38.2-4809 by knowingly permitting unlicensed persons to act as insurance agents without first obtaining non-resident insurance agent licenses from the Commission, by failing to execute certain surplus lines insurance affidavits in a form and content as prescribed by the Commission, and by failing to make a diligent effort to procure insurance from licensed insurers prior to placing coverage with unlicensed insurers;

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 §§ 38.2-1822, 38.2-4806 or 38.2-4809; and

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

CASE NO. INS940078
JUNE 9, 1994

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered February 17, 1994, the Superior Court of the State of California in and for the County of San Francisco found that Defendant is in hazardous financial condition and placed Defendant into conservation;

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 June 22, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 22, 1994, 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. INS940078
JUNE 24, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein June 9, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 22, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 22, 1994, Defendant files 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. INS940079
AUGUST 12, 1994

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

FINAL ORDER, DENYING MOTION FOR TEMPORARY INJUNCTION

On August 1, 1994, the Bureau of Insurance filed a motion with the Commission seeking the entry of a temporary injunction against Professional Mutual Insurance Company (A Risk Retention Group) ("Professional"), a Missouri-domiciled company operating in Virginia. The injunction would forbid Professional from issuing any new or renewal policies, new certificates or other evidence of coverage under existing policies in Virginia.

As grounds for this action, the Bureau alleges that Professional is presently in a "hazardous financial condition" as defined in Virginia Code § 38.2-5101, in that it is unlikely to be able (i) to meet obligations to policyholders with respect to known and reasonably anticipated claims, or (ii) to pay other obligations in the normal course of business, and that it is financially impaired. Virginia Code § 38.2-5103.8.b. prohibits the solicitation or sale of insurance by, or operation of, a company in such a condition.

The Bureau further states that a Missouri court appointed that state's insurance commissioner as Rehabilitator of Professional in February of this year, and that, although the state of Missouri requires such a company to maintain a minimum surplus of $1,600,000, Professional had a negative "surplus" of ($7,443) as of the end of 1993.

The Bureau asserts that no adequate remedy short of an injunction exists to prevent Professional from continuing to operate in Virginia in such condition. It therefore asks that Professional be enjoined in the manner described above until it restores its surplus to the minimum amount required by Missouri and until Missouri's insurance department certifies that fact.

These allegations, if true, present a serious situation. Policyholders pay premiums in the expectation and trust that the companies they deal with will satisfy any claims made against them in the future. If there is substantial doubt that a given company will be able to fulfill that compact, then that company literally has no product to sell, or which should be sold, to the public.

Individual policyholders are often ill-equipped, however, to monitor the financial condition of the companies to which they entrust their future security. It therefore falls to regulatory agencies, such as this Commission, to perform such oversight and to act to prevent loss to the public when necessary.

Risk retention groups are subject to both federal and state regulation. Federal legislation on this subject is found in the Liability Risk Retention Act of 1986, 15 U.S.C. §§ 3901-3906 (the "federal Act"). In Virginia, regulation is accomplished pursuant to the provisions of Chapter 51 of Title 38.2. Virginia Code § 38.2-5110 provides:

> The Commission is authorized to make use of any of the powers established under Titles 12.1 and 38.2 to enforce the laws of this Commonwealth so long as those powers are not specifically preempted by the [federal Act]. This includes, but is not limited to, the Commission's power to investigate, issue subpoenas, conduct depositions and hearings, issue orders, and impose penalties.

It is significant that the General Assembly, in enacting this chapter, provided for no original regulatory authority in any state agency or tribunal other than the Commission.[1]

The granting of such exclusive jurisdiction is not surprising, however, since the powers given the Commission in Titles 12.1 and 38.2 of the Code of Virginia are quite broad, and, ordinarily, the above provision would give us ample authority to deal appropriately with a risk retention group found to be in hazardous financial condition, or financially impaired.

Unfortunately, the Commission must at this point deny the Bureau's motion, due to lack of jurisdiction. Such action is necessary due to the recent decision of the Virginia Supreme Court in the case of National Home Ins. Co. v. Comm. of Va. ex rel. State Corp. Comm., Record No. 931052 (June 10, 1994, reh'g denied, Aug. 1, 1994). In the circumstances under which that case arose, we held an evidentiary hearing, on motion of the Bureau, to determine if National Home Insurance Company ("NHIC"), another risk retention group, was in hazardous financial condition and was financially impaired. Upon finding that it was, we entered an injunction forbidding NHIC from conducting further business in Virginia, with certain exceptions, until its financial problems were resolved.

NHIC attacked this decision, not only by appealing it to the Virginia Supreme Court, but also by filing suit against the Commission (and its members) in the U.S. District Court for the Eastern District of Virginia. NHIC's principal argument was that the Commission was not a "court of competent jurisdiction" as that term is used in the federal Act, and thus had no authority to issue such injunction.

In December, 1993, the U.S. District Court ruled that the Commission, when sitting in its judicial capacity, may act as a "court of competent jurisdiction" under the federal Act, but that the Commission would not meet that standard when it sits in its legislative capacity. It deferred to the Virginia Supreme Court the question of which role the Commission was filling when it acted against NHIC. National Home Ins. Co. v. State Corp. Comm., 838 F. Supp. 1104 (E.D. Va. 1993).

On June 10, 1994, however, the Virginia Supreme Court held, in disposing of NHIC's appeal, that this Commission is not a "court of competent jurisdiction" under the federal Act, National Home, Record No. 931052, supra.[2] The Supreme Court found that Congress intended, by using that phrase, to require an "independent judicial officer" with an "institutional separation" between such a tribunal and the insurance regulator seeking an injunction against a risk retention group.[3] Finding no such separation between the Commission and the Bureau, the Supreme Court reversed our order, vacated the injunction, and dismissed the proceeding

> with leave to the Bureau of Insurance to request the issuance of an injunction in a court of competent jurisdiction if it be so advised.

On July 11, 1994, we petitioned the Supreme Court to rehear this matter, but that petition was denied on August 1, 1994.

We believe this situation to be a grave one, and we have therefore initiated steps to seek review of this decision by the U.S. Supreme Court. We have requested the Virginia Supreme Court to defer issuance of its mandate pending such review.

Currently, however, we have no choice but to deny the Bureau's motion in this case, since the relief requested here is identical in all pertinent respects to that which the Virginia Supreme Court has found we are powerless to grant.

Accordingly, it is ORDERED that the Motion for Temporary Injunction filed by the Bureau of Insurance on August 1, 1994, is hereby DENIED, without prejudice, and that this matter is removed from the Commission's docket of active cases.

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[1] Va. Code § 38.2-5115 does allow state courts to enforce orders issued originally by any U.S. District Court.

[2] The Supreme Court made clear that its decision was solely one interpreting federal law, and that its holding was "[i]n contrast to the constitutional and statutory framework in which proceedings under state law are conducted and decided."

[3] The Court's majority opinion does not analyze, or mention, the U.S. District Court's decision, nor does it mention Va. Code § 38.2-5110, cited above, the statute by which the General Assembly assigned authority in this field to the Commission. Presumably, to reconcile the Supreme Court's decision with that statute, one would be forced to conclude that the Commission's powers under Titles 12.1 and 38.2 have been "specifically preempted" by the federal Act.

CASE NO. INS940081
JUNE 9, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SUMMIT NATIONAL 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 May 6, 1994, the Commonwealth Court of Pennsylvania found that Defendant is in hazardous financial condition and placed Defendant into rehabilitation;

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 June 22, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 22, 1994, 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. INS940081
JUNE 24, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein June 9, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 22, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 22, 1994, Defendant files 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. INS940082
JULY 28, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SETTLERS 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 §§ 38.2-508.2 and 38.2-610.A.1 by permitting unfair discrimination between individuals of the same class and of essentially the same hazard, and by failing to provide the required notice of an adverse underwriting decision;

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) and has waived its right to a hearing;

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

IT IS ORDERED:

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

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

CASE NO. INS940083
JULY 6, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NORTH CAROLINA MUTUAL 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 twenty-five thousand dollars ($25,000) and has waived its right to a hearing; and

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

IT IS ORDERED:

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

(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. INS940083
JULY 11, 1994

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

AMENDED SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated 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 twenty-five thousand dollars ($25,000) and has waived its right to a hearing; and

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

IT IS ORDERED:

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

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

CASE NO. INS940083
JULY 11, 1994

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

VACATING ORDER

GOOD CAUSE having been shown, the Settlement Order entered herein on July 6, 1994, is hereby VACATED.

CASE NO. INS940084
JUNE 16, 1994

APPLICATION OF
RECEIVER OF AMERICAN INTEGRITY INSURANCE COMPANY

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

ORDER APPROVING ASSUMPTION REINSURANCE AGREEMENT

WHEREAS, delinquency proceedings have been instituted in the Commonwealth of Pennsylvania against American Integrity Insurance Company ("AIIC"), a Pennsylvania-domiciled insurer licensed in this Commonwealth to transact the business of insurance;

WHEREAS, the court-appointed receiver of AIIC, through an authorized representative, has requested that the Commission approve a proposed assumption reinsurance agreement wherein UNUM Life Insurance Company of American ("UNUM"), an insurer domiciled in the State of Maine and licensed by

this Commission to transact the business of insurance in the Commonwealth of Virginia, would, upon cession by AIIC to UNUM reinsure and assume certain long term care policies issued by AIIC to residents of the Commonwealth of Virginia;

WHEREAS, the Bureau of Insurance reviewed the assumption reinsurance agreement 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 on behalf of the receiver of AIIC, the recommendation of the Bureau of Insurance that the application be approved, and the law applicable hereto, is of the opinion, finds and ORDERS that the assumption reinsurance agreement between American Integrity Insurance Company and UNUM Life Insurance Company of America be, and it is hereby, APPROVED.

CASE NO. INS940085
JUNE 16, 1994

APPLICATION OF
RECEIVER OF AMERICAN INTEGRITY INSURANCE COMPANY

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

ORDER APPROVING ASSUMPTION REINSURANCE AGREEMENT

WHEREAS, delinquency proceedings have been instituted in the Commonwealth of Pennsylvania against American Integrity Insurance Company ("AIIC"), a Pennsylvania-domiciled insurer licensed in this Commonwealth to transact the business of insurance;

WHEREAS, the court-appointed receiver of AIIC, through an authorized representative, has requested that the Commission approve a proposed assumption reinsurance agreement wherein MEGA Life and Health Insurance Company ("MEGA"), an insurer domiciled in the State of Oklahoma and licensed by this Commission to transact the business of insurance in the Commonwealth of Virginia, would, upon cession by AIIC to MEGA reinsure and assume certain accident and health policies issued by AIIC to residents of the Commonwealth of Virginia;

WHEREAS, the Bureau of Insurance reviewed the assumption reinsurance agreement 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 on behalf of the receiver of AIIC, the recommendation of the Bureau of Insurance that the application be approved, and the law applicable hereto, is of the opinion, finds and ORDERS that the assumption reinsurance agreement between American Integrity Insurance Company and MEGA Life and Health Insurance Company be, and it is hereby, APPROVED.

CASE NO. INS940086
JUNE 20, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SERVICE ASSOCIATION FOR HEALTHCARE MANUFACTURING INDUSTRY BENEFIT TRUST,
Defendant

ORDER TO TAKE NOTICE

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

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

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter a cease and desist order subsequent to July 8, 1994, ordering Defendant to cease and desist from transacting the business of insurance in the Commonwealth of Virginia unless on or before July 8, 1994, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216 a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS940087
JUNE 20, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SERVICE ASSOCIATION FOR HEALTHCARE AGRICULTURE INDUSTRY BENEFIT TRUST,
Defendant

ORDER TO TAKE NOTICE

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

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

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter a cease and desist order subsequent to July 8, 1994, ordering Defendant to cease and desist from transacting the business of insurance in the Commonwealth of Virginia unless on or before July 8, 1994, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216 a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS940088
JUNE 20, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SERVICE ASSOCIATION FOR HEALTHCARE RETAIL INDUSTRY BENEFIT TRUST,
Defendant

ORDER TO TAKE NOTICE

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

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

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter a cease and desist order subsequent to July 8, 1994, ordering Defendant to cease and desist from transacting the business of insurance in the Commonwealth of Virginia unless on or before July 8, 1994, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216 a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS940089
JUNE 20, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SERVICE ASSOCIATION FOR HEALTHCARE SERVICE INDUSTRY BENEFIT TRUST,
Defendant

ORDER TO TAKE NOTICE

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

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

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter a cease and desist order subsequent to July 8, 1994, ordering Defendant to cease and desist from transacting the business of insurance in the Commonwealth of Virginia unless on or before July 8, 1994, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216 a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS940090
JUNE 20, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SERVICE ASSOCIATION FOR HEALTHCARE WHOLESALE INDUSTRY BENEFIT TRUST,
Defendant

ORDER TO TAKE NOTICE

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

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

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter a cease and desist order subsequent to July 8, 1994, ordering Defendant to cease and desist from transacting the business of insurance in the Commonwealth of Virginia unless on or before July 8, 1994, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216 a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS940091
JUNE 20, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SERVICE ASSOCIATION FOR HEALTHCARE CONSTRUCTION INDUSTRY BENEFIT TRUST,
Defendant

ORDER TO TAKE NOTICE

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

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

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter a cease and desist order subsequent to July 8, 1994, ordering Defendant to cease and desist from transacting the business of insurance in the Commonwealth of Virginia unless on or before July 8, 1994, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216 a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS940092
JUNE 20, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SERVICE ASSOCIATION FOR HEALTHCARE TRANSPORTATION INDUSTRY BENEFIT TRUST,
Defendant

ORDER TO TAKE NOTICE

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

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

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter a cease and desist order subsequent to July 8, 1994, ordering Defendant to cease and desist from transacting the business of insurance in the Commonwealth of Virginia unless on or before July 8, 1994, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216 a responsive pleading to object to the entry of the aforesaid order and a request for a hearing.

CASE NO. INS940096
JUNE 28, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, in re: adoption of adjusted prima facie rates for credit life and credit accident and sickness insurance pursuant to Virginia Code Sections 38.2-3725, 38.2-3726, 38.2-3727 and 38.2-3730

TAKE NOTICE ORDER

TAKE NOTICE that, pursuant to Virginia Code Section 38.2-3730.B., that the Commission shall conduct a hearing on July 28, 1994 at 10:00 a.m. in its courtroom, Tyler Building, 2nd Floor, 1300 East Main Street, Richmond, Virginia 23219 for the purpose of receiving comments from interested parties with respect to proposed adjusted prima facie rates for credit life insurance and credit accident and sickness insurance. The adjusted prima facie rates have been proposed to the Commission by the Bureau of Insurance and are attached hereto and made a part hereof.

NOTE: A copy of Attachment A entitled "Proposed Adjusted Prima Facie Credit Life and Sickness Insurance Rates to be Effective January 1, 1995" 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. INS940096
AUGUST 5, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, in re: adoption of adjusted prima facie rates for credit life and credit accident and sickness insurance pursuant to Virginia Code Sections 38.2-3725, 38.2-3726 and 38.2-3730

ORDER ADOPTING CREDIT LIFE AND CREDIT ACCIDENT AND SICKNESS INSURANCE RATES FOR THE TRIENNIUM 1995-1997

WHEREAS, pursuant to a TAKE NOTICE ORDER entered herein June 28, 1994, the Commission conducted a hearing in its courtroom at 10:00 a.m. on July 28, 1994, for the purpose of receiving comments from interested parties with respect to adjusted prima facie rates for credit life insurance and credit accident and sickness insurance proposed by the Bureau of Insurance; and

AT THE HEARING, the Bureau of Insurance sponsored through its witnesses expert and fact testimony and was represented by its counsel; and, while the Division of Consumer Counsel of the Office of the Attorney General did not make an appearance or otherwise participate in this proceeding, several intervenors did appear and make statements under oath both in support of, and against, the proposed adjusted rates.

NOW, THEREFORE, THE COMMISSION, having considered the proposed adjusted prima rates for credit life insurance and credit accident and sickness insurance, the testimony of the witnesses sponsored by the Bureau of Insurance, the comments of the public witnesses appearing at the hearing and the law applicable in this matter, is of the opinion, finds and ORDERS that the proposed adjusted prima facie rates for credit life insurance and credit accident and sickness insurance, which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED effective January 1, 1995 for the triennium commencing on said date and ending on January 1, 1998 as provided in Virginia Code Section 38.2-3730.B.

NOTE: A copy of Attachment A entitled "Prima Facie Credit Life and Credit Accident and Sickness Insurance Rates Effective January 1, 1995" 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. INS940098
AUGUST 5, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DAMIAN G. MATARAZA,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and by failing to account for and remit when due premiums collected on behalf of a certain 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 June 29, 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 his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

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

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity and by failing to account for and remit when due premiums collected on behalf of a certain 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. INS940099
AUGUST 10, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LEGAL RESOURCES OF VIRGINIA,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-508.1, 38.2-509.2, 38.2-511, and 38.2-1834.C;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-4414 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 §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-508.1, 38.2-509.2, 38.2-511, or 38.2-1834.C; and

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

CASE NO. INS940099
AUGUST 18, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LEGAL RESOURCES OF VIRGINIA,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the order entered herein August 10, 1994, is hereby vacated.

CASE NO. INS940099
AUGUST 18, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LEGAL RESOURCES OF VIRGINIA,
Defendant

AMENDED SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-502.1, 38.2-508.1, 38.2-509.2, 38.2-511, and 38.2-1834.C;

IT FURTHER APPEARING that the Commission is authorized by Virginia Code §§ 38.2-218, 38.2-219 and 38.2-4414 to impose certain monetary penalties, issue cease and desist orders and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violation;

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

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

IT IS ORDERED:

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

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

CASE NO. INS940100
AUGUST 10, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MAURICIO S. GINIEIS,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in certain instances, violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to account for and remit when due premiums collected on behalf of a certain 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 date July 5, 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 his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

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

THE COMMISSION is of the opinion and finds that Defendant has violated Virginia Code § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to account for and remit when due premiums collected on behalf of a certain 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. INS940101
NOVEMBER 30, 1994

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 November 1, 1994, and ending on November 3, 1994. The National Council on Compensation Insurance (the "Applicant"), the Commission's Bureau of Insurance, intervenors Washington Construction Employers Association, and the Iron Workers Employers Association, and the Division of Consumer Counsel of the Office of the Attorney General were represented by their counsel.

NOW, ON THIS DAY, having considered the record herein, and the law applicable 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 1.053 proposed by the Applicant to adjust for experience, trend, and benefits produces excessive premiums and, in lieu thereof, a factor of 0.950 shall be utilized, resulting from the use

of the "paid plus case" loss experience methodology, loss development to a 4th report based on voluntary market experience using dollar weighted averages, loss development from a 4th report to a 13th 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 but using conversion factors based on the use of paid plus case losses, 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 1.124 proposed by the Applicant to adjust for experience, trend, and benefits produces excessive premiums and, in lieu thereof, a factor of 1.070 shall be utilized, resulting from the use of the "paid plus case" loss experience methodology, loss development to a 4th report based on assigned risk market experience using dollar weighted averages, loss development from a 4th report to a 13th 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 but using conversion factors based on the use of paid plus case losses, and the "growth" factor procedure proposed by the Applicant;

(3) That the annual indemnity trend of +1.3 percent and the annual medical trend of +5.7 percent proposed by the Applicant are excessive and, in lieu thereof, an annual indemnity trend of -1.1 percent and an annual medical trend of +4.4 percent shall be utilized, based on the combined experience for both the voluntary market and assigned risk market, resulting from the use of the credibility weighting methodology proposed by the Bureau's witness to calculate the indemnity and medical trend, using the goodness of fit credibility criterion;

(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 12.1 percent of expected loss proposed by the Applicant is excessive, and in lieu thereof, loss adjustment expense shall remain unchanged at 10.3 percent of expected loss, resulting in a factor of 1.000 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 (-5.0 percent), loss adjustment expense (0.0 percent), resulting in a total change in voluntary market loss costs of -5.0 percent rather than the 17.0 percent proposed by the Applicant;

(7) That the factor of 1.006 for the change in expenses (general and production) for the assigned risk market proposed by the Applicant is accepted and shall be utilized;

(8) That the factor of 0.992 for the change in taxes for the assigned risk market proposed by the Applicant is accepted and shall be utilized;

(9) That the change in profit and contingencies provision for the assigned risk market from -5.57 percent to 0.0 percent representing an increase of +7.0 percent proposed by the Applicant produces excessive premiums and, in lieu thereof, the profit and contingencies provision shall be changed to -6.82 percent representing a decrease of 1.4 percent in premiums resulting from a rate of return of 11.60 percent (which is based on an 80/20 equity-to-debt ratio, a 12.75 percent cost of common equity, and a 7.10 percent cost of long term debt), a 7.05 percent pre-tax return on invested assets before consideration of investment expenses, a 5.30 percent post-tax return on invested assets before consideration of investment expenses, a 5.06 percent post-tax return on invested assets after consideration of investment expenses, the claims and expense payment schedule proposed by the Bureau witnesses, a provision of 1.31 percent for uncollectible premium, and a reserve-to-surplus ratio of 2.74 considering only loss and loss adjustment expense reserves;

(10) That the calculation of the assigned risk market rate changes for industrial classes expressed as a percentage shall be: experience, trend, and benefits (+7.0 percent), loss adjustment expense (0.0 percent), production and general expense (+0.6 percent), tax (-0.8 percent), profit and contingency (-1.4 percent), resulting in a total change in assigned risk market premiums of +5.3 percent, rather than the +22.0 percent proposed by the Applicant;

(11) That the proposed increase of 17.9 percent for voluntary market loss costs for "F" classifications be, and it is hereby, disapproved, and in lieu thereof, an increase of 12.3 percent is hereby approved;

(12) That the proposed 45.0 percent premium increase for assigned risk market rates for "F" classifications be, and it is hereby, disapproved, and in lieu thereof, an increase of 27.2 percent is hereby approved;

(13) That the proposed change in the minimum and maximum remunerations used in computing the workers compensation premium for executive officers from fixed amounts of $100 and $300 per week, respectively, to indexed amounts which would change annually and would be $228 and $1,800, respectively, effective January 1, 1995, would produce unreasonable increases in premiums, and are hereby disapproved; provided, however, that increases to the minimum and maximum weekly payrolls, respectively, to $150 and $500, are reasonable, and are hereby approved; provided, however, that any future increases in such amounts shall require the prior approval of the Commission. That the proposed change in the minimum and maximum remunerations used in computing the workers compensation premium for partners and sole proprietors from fixed amounts of $5,200 and $15,600 per year, respectively, with use of $15,600 when records are not available, to a single amount of $15,700 effective January 1, 1995, is hereby approved; provided, however, that any future increases in such amount shall require the prior approval of the Commission. That the Applicant, with the assistance of the Bureau of Insurance, shall undertake a review and analysis of unit statistical plan data and/or other appropriate data so that the experience for executive officers can be reported to the Commission. The results of such review and analysis shall be provided to the Commission by no later than May 1, 1995;

(14) That, based upon the issue brought to the attention of the Commission at the hearing herein by counsel for intervenors 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 undertake a review and analysis of the benefits to Virginia employers of introducing a premium credit program to reflect differences in wage rates among employers within a single classification. Such review and analysis shall include consideration of the premium credit programs currently utilized in each of the states other than Virginia. The results of such review and analysis shall be provided by the Applicant to the Commission no later than May 1, 1995;

(15) 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;

(16) 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, 1995; and

(17) 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. INS940101
DECEMBER 19, 1994

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE

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

AMENDATORY ORDER

WHEREAS, by order entered herein November 30, 1994, the Commission ordered, *inter alia*, that applicant NCCI, with the assistance of the Bureau of Insurance, undertake a review and analysis of unit statistical plan data and/or other appropriate data so that experience for executive officers, partners, and sole proprietors can be reported to the Commission in order for the Commission to assess the reasonableness of any subsequent NCCI request for an amendment to the minimum and maximum remunerations used in computing workers compensation insurance premiums for executive officers, partners and sole proprietors;

WHEREAS, on December 12, 1994, NCCI, by its counsel, filed with the Clerk of the Commission a Petition for Reconsideration to which was attached the affidavit of William J. Miller, Vice President and Actuary of NCCI, in which Miller stated, *inter alia*, that NCCI cannot determine payroll or losses associated with executive officers.

NOW, THEREFORE, THE COMMISSION, having considered the Petition for Reconsideration of NCCI and noting that Miller did not aver in his affidavit that NCCI is unable to obtain payroll and losses associated with executive officers by amending its Statistical Plan or otherwise, is of the opinion and ORDERS that the last two sentences of paragraph (13) of the order entered herein November 30, 1994, should be, and they are hereby, deleted; provided, however, that NCCI shall be on notice that, should NCCI subsequently request that this Commission increase the minimum-maximum payrolls used in computing workers compensation insurance premiums for executive officers, partners and sole proprietors, NCCI will be required to support its request with, at the minimum, actual premium and loss experience related to those classes of persons.

CASE NO. INS940102
AUGUST 18, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HOWARD HAMBY,
Defendant

ORDER REVOKING LICENSE

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

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated July 29, 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 his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

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

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

THEREFORE, IT IS ORDERED:

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

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

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

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

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

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

CASE NO. INS940103
AUGUST 5, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY
AMERICAN MOTORISTS INSURANCE COMPANY
AMERICAN PROTECTION INSURANCE COMPANY
and
LUMBERMENS MUTUAL CASUALTY COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from 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, may have violated Title 38.2 of the Code of Virginia, to wit: American Manufacturers Mutual Insurance Company violated Virginia Code §§ 38.2-1822, 38.2-1906, 38.2-2208, 38.2-2212 and 38.2-2220; American Motorists Insurance Company violated Virginia Code §§ 38.2-610, 38.2-1906, 38.2-2113, 38.2-2114, 38.2-2208, 38.2-2212 and 38.2-2220; American Protection Insurance Company violated Virginia Code §§ 38.2-2208 and 38.2-2220; and Lumbermens Mutual Casualty Company violated Virginia Code §§ 38.2-228, 38.2-610, 38.2-1822, 38.2-1906, 38.2-2113, 38.2-2114, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2215 and 38.2-2220;

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

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of thirty-three thousand nine hundred and fifty dollars ($33,950), 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 Defendant, American Manufacturers Mutual Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-1822, 38.2-1906, 38.2-2208, 38.2-2212 or 38.2-2220;

(3) That Defendant, American Motorists Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-610, 38.2-1906, 38.2-2113, 38.2-2114, 38.2-2208, 38.2-2212 or 38.2-2220;

(4) That Defendant, American Protection Insurance Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-2208 or 38.2-2220;

(5) That Defendant, Lumbermens Mutual Casualty Company, cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-228, 38.2-610, 38.2-1822, 38.2-1906, 38.2-2113, 38.2-2114, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2215 or 38.2-2220; and

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

CASE NO. INS940104
NOVEMBER 7, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

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

FINAL ORDER

On September 13, 1994, pursuant to an order entered herein July 20, 1994, the Commission conducted a hearing on whether competition is an effective regulator of rates charged for certain lines and subclassifications of commercial liability insurance, which lines and subclassifications were designated and set forth in the Commission's 1993 Report to the General Assembly pursuant to Virginia Code § 38.2-1905.1(C); and

At the hearing, other than the two witnesses who testified on behalf of the Bureau of Insurance, the only person to appear and make comment before the Commission in this proceeding was a public witness, Gordon McLean, President of The Virginia Insurance Reciprocal ("TVIR"). Among other things, Mr. McLean expressed the belief that the Bureau of Insurance, in its biennial study and recommendations, should take into account the experience of providers of the lines and subclassifications of insurance studied by the Bureau of Insurance other than licensed insurers, particularly risk retention groups.

We note that Virginia Code § 38.2-1905.2.A. requires only that licensed insurers report their experience to the Commission for the purposes of this proceeding. Risk retention groups, risk purchasing groups and surplus lines insurers, among others, are not required to file with the Commission supplemental reports containing the information required in Virginia Code § 38.2-1905.2.B. Accordingly, we find that, without an appropriate legislative amendment to the code section in question, the Bureau of Insurance need not consider, and the Commission may not require the filing of, the experience of providers of the lines and subclassifications of insurance concerned in this proceeding other than those providers who are licensed insurers as set forth in Virginia Code § 38.2-1905.2.A. Moreover, it appears to us that any consideration of an amendment to the aforesaid code sections to subject the providers in question to the requirements of such code sections should take into account the possible impediments which may be presented by federal constitutional and statutory law, particularly the federal law known as the Risk Retention Act of 1986.

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

(1) That competition is not an effective regulator of the rates charged for the following lines and subclassifications of insurance: insurance agents professional liability; lawyers professional liability; medical professional liability; real estate agents professional liability; volunteer fire departments and rescue squad liability; and that, pursuant to Virginia Code § 38.2-1912, for twenty-seven (27) months from the date of this order or until further order of the Commission, whichever is sooner, all insurance companies licensed to write the aforesaid lines and subclassifications of insurance and, to the extent permitted by law, all rate service organizations licensed pursuant to the provisions of Chapter 19 of Title 38.2 of the Code of Virginia shall file with the Commissioner of Insurance any and all changes in the rates, prospective loss costs and supplementary rate information for these lines and subclassifications of insurance, and, pursuant to Virginia Code § 38.2-1912(B) and (D), such supporting data and information as is deemed necessary by the Commissioner of Insurance for the proper functioning of the rate monitoring process at least sixty (60) days before they become effective;

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

(3) That the Bureau of Insurance shall conduct a study with any assistance offered by the American Insurance Association or its members to determine the desirability and practicability of separately assessing the various subclassifications of the Medical Professional Liability line of insurance and shall make any recommendation it has concerning its study at the time it seeks the Commission's approval of the reporting form to be used by insurers in preparation for the next biennial hearing in 1996;

(4) That the Bureau shall conduct a study to determine the desirability and practicability of including in the Bureau's biennial study and recommendations the experience of providers of the lines and subclassifications of insurance other than licensed insurers as provided in Virginia Code § 38.2-1905.2; and

(5) That the Bureau shall modify the information requested in the Supplemental Report to permit revisions to its Rate Service Organization ("RSO") Reliance Index in order to reflect the new role of RSO's and the reduced extent to which RSO filings may influence insurer pricing decisions.

CASE NO. INS940113
SEPTEMBER 15, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PRIME RATE PREMIUM FINANCE CORPORATION, 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 premium finance company in the Commonwealth of Virginia, in a certain instance, violated Section 6.1 of the Commission's Rules Governing Insurance Premium Finance Companies by failing to file timely with the Commission an annual statement showing its financial condition;

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 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 hundred fifty dollars ($550), 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 6.1 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. INS940114
AUGUST 5, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Governing Insurance Holding Companies

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 12.1-13 provides that the Commission shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and Virginia Code § 38.2-223 provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed revised regulation entitled "Rules Governing Insurance Holding Companies"; and

WHEREAS, the Commission is of the opinion that the proposed revised regulation should be adopted;

THEREFORE, IT IS ORDERED:

(1) That all interested persons TAKE NOTICE that the Commission shall enter an order subsequent to September 15, 1994, adopting the revised regulation proposed by the Bureau of Insurance unless on or before September 15, 1994, any person objecting to the adoption of such a regulation files a request for a hearing, and in such request specifies in detail their objection to the adoption of the proposed revised regulation, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216;

(2) That an attested copy hereof, together with a copy of the proposed regulation, be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Alfred W. Gross who shall forthwith give further notice of the proposed adoption of the regulation by mailing a copy of this order, together with a copy of the proposed regulation, to all insurance companies licensed in the Commonwealth of Virginia; and

(3) That the Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) above.

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

CASE NO. INS940114
DECEMBER 1, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Governing Insurance Holding Companies

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein August 5, 1994, all interested persons were ordered to take notice that the Commission would enter an order subsequent to September 15, 1994, adopting a revised regulation proposed by the Bureau of Insurance unless on or before September 15, 1994, any person objecting to the adoption of the regulation filed a request for a hearing with the Clerk of the Commission;

WHEREAS, as of the date of this order, no request for a hearing has been filed with the Clerk of the Commission; however, several interested persons did file comments to the proposed regulation and the Bureau of Insurance filed a response to those comments; and

THE COMMISSION, having considered the proposed regulation, the comments of interested persons, and the response of the Bureau of Insurance, is of the opinion that the regulation, as amended by the Bureau's response to the comments of interested persons, should be adopted;

THEREFORE, IT IS ORDERED that the regulation entitled "Revised Rules Governing Insurance Holding Companies" which is attached hereto and made a part hereof should be, and it is hereby, ADOPTED to be effective January 1, 1995.

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

CASE NO. INS940115
SEPTEMBER 9, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARK A. HARTLESS,
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 § 38.2-1833.4 by continuing to solicit insurance after forty-five days from the date of the first insurance application submitted to an insurer without receiving an acknowledgment of his appointment 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 a hearing before the Commission in this matter by certified letter dated August 3, 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 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 § 38.2-1833.4 by continuing to solicit insurance after forty-five days from the date of the first insurance application submitted to an insurer without receiving an acknowledgment of his appointment from the 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. INS940116
AUGUST 15, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, by affidavit 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 the suspension of Defendant's license to be published in the manner set forth in Virginia Code § 38.2-1043.

CASE NO. INS940117
AUGUST 11, 1994

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

IMPAIRMENT ORDER

WHEREAS, Capital Investors Life Insurance Company, a foreign corporation domiciled in the State of Florida and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, Virginia Code § 38.2-1036 provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists; and

WHEREAS, the Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,500,000 and surplus of 1,507,968, as of March 31, 1994;

IT IS ORDERED that, on or before October 14, 1994, 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. INS940117
NOVEMBER 22, 1994

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein August 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 on or before October 14, 1994; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940118
AUGUST 11, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
U.S. HEALTH AND LIFE INSURANCE COMPANY, INC.,
Defendant

IMPAIRMENT ORDER

WHEREAS, U.S. Health and Life Insurance Company, Inc., a foreign corporation domiciled in the State of Delaware 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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,500,000 and surplus of $2,455,555, as of March 31, 1994;

IT IS ORDERED that, on or before October 14, 1994, 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. INS940118
NOVEMBER 22, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
U. S. HEALTH AND LIFE INSURANCE COMPANY, INC.
Defendant

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein August 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 on or before October 14, 1994; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940118
DECEMBER 7, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
U.S. HEALTH AND LIFE INSURANCE COMPANY, INC.,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 22, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940119
AUGUST 11, 1994

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

IMPAIRMENT ORDER

WHEREAS, Sterling Investors Life Insurance Company, a foreign corporation domiciled in the State of Florida and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, Virginia Code § 38.2-1036 provides, inter alia, that if the Commission finds an impairment of the required minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists; and

WHEREAS, the Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,500,000 and surplus of $2,722,672, as of March 31, 1994;

IT IS ORDERED that, on or before October 14, 1994, 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. INS940119
NOVEMBER 22, 1994

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein August 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 on or before October 14, 1994; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994 , 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. INS940120
AUGUST 11, 1994

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

IMPAIRMENT ORDER

WHEREAS, Union Benefit Life Insurance Company, a foreign corporation domiciled in the Commonwealth of Pennsylvania and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, 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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $2,000,000 and surplus of $1,274,574, as of March 31, 1994;

IT IS ORDERED that, on or before October 14, 1994, 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. INS940120
NOVEMBER 22, 1994

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein August 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 on or before October 14, 1994; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940120
DECEMBER 21, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 22, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940120
DECEMBER 29, 1994

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

VACATING ORDER

IT IS ORDERED that the order entered herein December 21, 1994, be, and it is hereby, VACATED.

CASE NO. INS940121
AUGUST 11, 1994

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

IMPAIRMENT ORDER

WHEREAS, Atlanta International Insurance Company, a foreign corporation domiciled in the State of New York and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, 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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $2,560,932 and surplus of $2,120,128, as of March 31, 1994;

IT IS ORDERED that, on or before October 14, 1994, 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. INS940121
NOVEMBER 22, 1994

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein August 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 on or before October 14, 1994; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940121
DECEMBER 21, 1994

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

FINAL ORDER

WHEREAS, by order entered herein August 11, 1994, Atlanta International Insurance Company ("Atlanta International") was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000;

WHEREAS, by affidavit dated December 1, 1994, Atlanta International's Senior Vice President, Secretary and Treasurer formally requested the withdrawal of Atlanta International's license to transact the business of insurance in the Commonwealth of Virginia effective December 1, 1994; and

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

THEREFORE, IT IS ORDERED:

(1) That Atlanta International 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. INS940122
AUGUST 12, 1994

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

IMPAIRMENT ORDER

WHEREAS, Mutual Life Insurance Company of Washington, D.C., a mutual insurer domiciled in the District of Columbia and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum surplus of $4,000,000;

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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates surplus of $1,511,758, as of March 31, 1994;

IT IS ORDERED that, on or before October 14, 1994, Defendant eliminate the impairment in its surplus and restore the same to at least $4,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS940122
OCTOBER 6, 1994

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

FINAL ORDER

WHEREAS, by order entered herein August 12, 1994, Mutual Life Insurance Company of Washington, D.C. ("Mutual") was ordered to eliminate the impairment in its surplus and restore the same to at least $4,000,000;

WHEREAS, by letter dated September 12, 1994, Mutual's president formally requested the withdrawal of Mutual's license to transact the business of insurance in the Commonwealth of Virginia effective September 12, 1994; and

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

THEREFORE, IT IS ORDERED:

(1) That Mutual Life Insurance Company of Washington, D.C.'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. INS940123
AUGUST 12, 1994

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

IMPAIRMENT ORDER

WHEREAS, International Financial Services Life Insurance Company, a foreign corporation domiciled in the State of Missouri 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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,500,000 and surplus of $1,865,822, as of March 31, 1994;

IT IS ORDERED that, on or before October 14, 1994, 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. INS940123
NOVEMBER 10, 1994

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

FINAL ORDER

WHEREAS, by order entered herein August 12, 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 Chief Financial Officer, 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. INS940124
AUGUST 12, 1994

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

IMPAIRMENT ORDER

WHEREAS, Koln Life Insurance Company, a foreign corporation domiciled in the State of Arizona 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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,500,000 and surplus of $2,301,443, as of March 31, 1994;

IT IS ORDERED that, on or before October 14, 1994, 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. INS940124
NOVEMBER 16, 1994

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

FINAL ORDER

WHEREAS, by order entered herein August 12, 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 filed with the Commission by Defendant's chief financial officer, the Commission was advised that the Defendant has restored its surplus to the minimum amount required by Virginia law;

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

THE COMMISSION, having considered the affidavit filed 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. INS940125
AUGUST 12, 1994

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

IMPAIRMENT ORDER

WHEREAS, Atlas Insurance Company, a foreign corporation domiciled in the State of Missouri 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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,200,000 and surplus of $1,581,615, as of March 31, 1994;

IT IS ORDERED that, on or before November 14, 1994, 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. INS940125
NOVEMBER 22, 1994

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein August 12, 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 November 14, 1994; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940125
DECEMBER 6, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 22, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940126
AUGUST 12, 1994

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

IMPAIRMENT ORDER

WHEREAS, AmeriFirst Insurance Company, a foreign corporation domiciled in the State of Indiana and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, 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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,500,000 and surplus of $1,566,751, as of March 31, 1994;

IT IS ORDERED that, on or before November 14, 1994, 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. INS940126
NOVEMBER 22, 1994

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein August 12, 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 November 14, 1994; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940127
AUGUST 12, 1994

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

IMPAIRMENT ORDER

WHEREAS, Universal Insurance Company, a foreign corporation domiciled in the State of North Carolina and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum capital of $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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,800,000 and surplus of $1,641,751, as of March 31, 1994;

IT IS ORDERED that, on or before October 14, 1994, 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. INS940127
NOVEMBER 9, 1994

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

FINAL ORDER

WHEREAS, by order entered herein August 12, 1994, Universal Insurance Company ("Universal") was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000;

WHEREAS, by affidavit dated September 23, 1994, Universal's president requested the voluntary withdrawal of Universal's authority to transact the business of insurance in the Commonwealth of Virginia; and

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

THEREFORE, IT IS ORDERED:

(1) That Universal 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. INS940128
AUGUST 12, 1994

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

IMPAIRMENT ORDER

WHEREAS, Inland Mutual Insurance Company, a mutual insurer domiciled in the State of West Virginia and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, is required to maintain minimum surplus of $4,000,000;

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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates surplus of $2,794,030, as of March 31, 1994;

IT IS ORDERED that, on or before November 14, 1994, Defendant eliminate the impairment in its surplus and restore the same to at least $4,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer.

IT IS FURTHER ORDERED that Defendant shall issue no new contracts or policies of insurance in the Commonwealth of Virginia while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS940128
NOVEMBER 16, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, by order entered herein August 12, 1994, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $4,000,000;

WHEREAS, by letter dated October 19, 1994, Defendant's president requested a voluntary suspension of the company's license to transact the business of insurance in the Commonwealth of Virginia; and

THE COMMISSION, having considered the request for a voluntary suspension and the law applicable hereto, is of the opinion that Inland Mutual Insurance Company's license to transact the business of insurance should be suspended;

THEREFORE, IT IS ORDERED:

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

(2) That 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. INS940129
AUGUST 12, 1994

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

IMPAIRMENT ORDER

WHEREAS, American Capital Life Insurance Company, a foreign corporation domiciled in the District of Columbia 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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $215,137 and surplus of $1,426,291, as of March 31, 1994;

IT IS ORDERED that, on or before October 14, 1994, Defendant eliminate the impairment in its capital and surplus and restore the same to at least $1,000,000 and $3,000,000 respectively, 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. INS940129
NOVEMBER 22, 1994

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein August 12, 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 October 14, 1994; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940129
DECEMBER 7, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 22, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to December 2, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 2, 1994, 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. INS940130
AUGUST 15, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST CONTINENTAL LIFE AND ACCIDENT 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 the suspension of Defendant's license to be published in the manner set forth in Virginia Code § 38.2-1043.

CASE NO. INS940131
AUGUST 17, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED COMMUNITY 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 July 7, 1994, in the Supreme Court of the State of New York, County of Schenectady, Defendant was found to be insolvent and the Superintendent of Insurance of the State of New York was appointed the Rehabilitator of Defendant; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to August 30, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 30, 1994, 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. INS940131
SEPTEMBER 6, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein August 17, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 30, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 30, 1994, 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. INS940132
AUGUST 19, 1994

APPLICATION OF
LIFE OF AMERICA 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 Life of America Insurance Company and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby Central United Life Insurance Company, a Texas-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume all of the business of Life of America Insurance Company;

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 Life of America 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. INS940133
AUGUST 19, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TOYOTA MOTOR 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 the suspension of Defendant's license to be published in the manner set forth in Virginia Code § 38.2-1043.

CASE NO. INS940134
AUGUST 19, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INVESTORS EQUITY 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 the suspension of Defendant's license to be published in the manner set forth in Virginia Code § 38.2-1043.

CASE NO. INS940135
AUGUST 19, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE EASTERN SHORE OF VIRGINIA FIRE INSURANCE COMPANY, INC.,
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 the suspension of Defendant's license to be published in the manner set forth in Virginia Code § 38.2-1043.

CASE NO. INS940139
AUGUST 31, 1994

APPLICATION OF
INVESTMENT LIFE INSURANCE COMPANY OF AMERICA, 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 Investment Life Insurance Company of America, In Liquidation ("ILA"), by its Receiver the Commissioner of Insurance for the State of North Carolina, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby Mid-West National Life Insurance Company, a Tennessee-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume the policy obligations of ILA;

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 Investment Life Insurance Company of America, 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. INS940145
OCTOBER 6, 1994

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

ORDER TO TAKE NOTICE

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants transacted the business of insurance in the Commonwealth of Virginia without first obtaining a license from the Commission;

IT FURTHER APPEARING that American Capital Assurance Company ("American Capital"), not licensed as an insurance company in Virginia or approved as a surplus lines insurer, issued a surety bond in favor of Virginia Power Company in the amount of $21,500.00 as security for a utility contract with American International Services, Inc., 3822 Mechanicsville Pike, Richmond, Virginia;

IT FURTHER APPEARING that Joe D. Massey, the attorney-in-fact for American Capital, issued the surety bond on behalf of American Capital;

IT FURTHER APPEARING that Joe D. Massey, Jr., Julius B. Guiterrez, Beverley T. Fortenberry, and Gene J. Lambert are officers or directors of American Capital; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission enter a cease and desist order against American Capital and its principals for their violation of Virginia Code § 38.2-1024;

THEREFORE, IT IS ORDERED that Defendants TAKE NOTICE that the Commission shall 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 file 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 entry of the cease and desist order.

CASE NO. INS940146
SEPTEMBER 22, 1994

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 ACCEPTING OFFER OF SETTLEMENT

IT APPEARING from the report on a special market conduct review conducted by the Bureau of Insurance that the Defendant is alleged, in certain instances to have violated Virginia Code §§ 38.2-316.B., 38.2-503, 38.2-510.A.1, 38.2-510.A.4, 38.2-510.A.6, and 38.2-510.A.8, as well as § 5(a) of Regulation No. 12 with respect to the handling of its coinsurance payment program; and

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

IT FURTHER APPEARING that the Defendant has been advised of its right to a hearing in this matter, but that without admitting the allegations of the Bureau of Insurance in its aforesaid report, the Defendant has made an offer of compromise settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of Five Million Dollars ($5,000,000) and has agreed to institute and conduct a Coinsurance Refund Program as set forth in the documents which are attached hereto and made a part hereof, and has waived its right to a hearing upon the acceptance of such offer by the Commission; and

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

IT IS ORDERED:

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

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

(3) That the Commission shall retain jurisdiction in this matter pending receipt of the compliance reports of the Bureau of Insurance and of the independent public accounting firm engaged in this matter by the Bureau, which reports shall be filed with the Commission within sixty days of the Defendant's completion of the Coinsurance Refund Program.

NOTE: A copy of Attachment A entitled "Proposed 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. INS940147
OCTOBER 3, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers

ORDER TO TAKE NOTICE

WHEREAS, Virginia Code § 12.1-13 provides that the Commission shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and Virginia Code § 38.2-223 provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed revised regulation entitled "Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers;" and

WHEREAS, the Commission is of the opinion that the proposed revised regulation should be adopted;

THEREFORE, IT IS ORDERED:

(1) That all interested persons TAKE NOTICE that the Commission shall enter an order subsequent to November 15, 1994, adopting the revised regulation proposed by the Bureau of Insurance unless on or before November 15, 1994, any person objecting to the adoption of such a regulation files a request

for a hearing, and in such request specifies in detail their objection to the adoption of the proposed revised regulation, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216;

(2) That an attested copy hereof, together with a copy of the proposed regulation, be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Gerald A. Milsky who shall forthwith give further notice of the proposed adoption of the regulation by mailing a copy of this order, together with a copy of the proposed regulation, to all insurers, health services plans, and health maintenance organizations licensed to issue 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.

NOTE: A copy of Attachment A entitled "Revised Insurance Regulation No. 38 Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers" 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. INS940147
NOVEMBER 22, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein October 3, 1994, all interested persons were ordered to take notice that the Commission would enter an order subsequent to November 15, 1994, adopting a revised regulation proposed by the Bureau of Insurance unless on or before November 15, 1994, any person objecting to the adoption of the regulation filed a request for a hearing with the Clerk of the Commission.

WHEREAS, as of the date of this order, no request for hearing has been filed with the Clerk of the Commission;

THEREFORE, IT IS ORDERED that the regulation entitled "Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers" which is attached hereto and made a part hereof should be, and it is hereby, ADOPTED to be effective December 1, 1994.

NOTE: A copy of Attachment A entitled "Revised Insurance Regulation No. 38 Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers" 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. INS940147
DECEMBER 15, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting revised Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers

AMENDING ORDER

WHEREAS, by order entered herein November 22, 1994, the Commission adopted a regulation entitled "Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers"; and

WHEREAS, the Commission has determined that its regulations should conform to the Virginia Register Form, Style and Procedure Manual;

THEREFORE, IT IS ORDERED that the regulation entitled "Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers," which is attached hereto and made a part hereof, be, and it is hereby, amended to conform to the requirements of the Virginia Register Form, Style and Procedure Manual.

NOTE: A copy of Attachment A entitled "Revised Insurance Regulation No. 38 Rules Governing the Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers" 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. INS940148
SEPTEMBER 21, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CONFEDERATION LIFE INSURANCE AND ANNUITY 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 the Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, by order entered August 12, 1994, in the Superior Court of Fulton County, Georgia, the Commissioner of Insurance of the State of Georgia seized all the assets and property of Defendant after it was found that Defendant's capital and surplus was deficient by $54,300,577;

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 30, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 30, 1994, 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. INS940148
OCTOBER 3, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CONFEDERATION LIFE INSURANCE AND ANNUITY COMPANY
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein September 21, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to September 30, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 30, 1994, 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. INS940149
OCTOBER 6, 1994

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

ORDER REVOKING AUTHORITY

WHEREAS, Virginia Code § 38.2-1213 provides that upon the impairment of the surplus to policyholders of any reciprocal insurer, the Commission shall revoke the certificate authorizing the insurer to issue insurance policies without contingent liability;

WHEREAS, National Insurance Underwriters ("National"), a Missouri-domiciled reciprocal insurer licensed in the Commonwealth of Virginia, is required to maintain surplus of $4,000,000;

WHEREAS, National's Quarterly Statement filed with the Bureau of Insurance indicates surplus of $3,308,028 as of June 30, 1994; and

WHEREAS, the Bureau of Insurance has recommended that the Commission revoke the authority of National to issue or renew any insurance policies without contingent liability; and

THE COMMISSION, having considered the law applicable hereto and the recommendation of the Bureau of Insurance, is of the opinion that National's authority to issue or renew any insurance policies without contingent liability in the Commonwealth of Virginia should be revoked;

THEREFORE, IT IS ORDERED that National Insurance Underwriters' authority to issue or renew any insurance policies without contingent liability in the Commonwealth of Virginia be, and it is hereby, REVOKED.

CASE NO. INS940150
SEPTEMBER 21, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN BONDING 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 on August 25, 1994, the Director of Insurance for the State of Arizona found that American Bonding Company was in such condition as to render its further transaction of insurance hazardous to its policyholders and the people of Arizona and the Director placed the Company under supervision; 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 September 30, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 30, 1994, 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. INS940150
OCTOBER 3, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN BONDING COMPANY
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein September 21, 1994, Defendant was ordered to take notice that the Commission would enter an order subsequent to September 30, 1994, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 30, 1994, 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. INS940162
OCTOBER 3, 1994

APPLICATION OF
VIRGINIA FARM BUREAU MUTUAL INSURANCE COMPANY

For an exemption pursuant to Va. Code § 38.2-1328

ORDER APPROVING APPLICATION

ON A FORMER DAY came Virginia Farm Bureau Mutual Insurance Company ("VFBM") and filed with the Bureau of Insurance ("Bureau") an application for an exemption pursuant to Va. Code § 38.2-1328, with respect to a proposed recapitalization transaction;

WHEREAS, VFBM, the sole shareholder of Virginia Farm Bureau Fire & Casualty Company ("VFC"); a Virginia-domiciled property and casualty insurer, has proposed to exchange its voting capital stock in VFC for voting capital stock in Farm Bureau Holdings, Inc. ("FBH"), a Virginia-domiciled corporation;

WHEREAS, upon completion of the transaction, all voting shares of VFC would be owned by FBH, a new holding company, and all voting shares of FBH would be owned by VFBM;

WHEREAS, the Bureau has reviewed the proposed exchange of voting securities and on the basis of that review recommends to the Commission that the exemption be approved; and

THE COMMISSION, having considered the application for the exemption and the recommendation of the Bureau, is of the opinion and finds that the proposed recapitalization transaction has not been made or entered into for the purpose of and does not have the effect of changing or influencing the control of Virginia Farm Bureau Fire & Casualty Company, a domestic insurer;

THEREFORE, IT IS ORDERED that the application of Virginia Farm Bureau Mutual Insurance Company for an exemption from Va. Code § 38.2-1323 through 38.2-1327 be, and it is hereby, APPROVED.

CASE NO. INS940163
OCTOBER 6, 1994

APPLICATION OF
GE CAPITAL MORTGAGE CORPORATION

For an exemption pursuant to Virginia Code § 38.2-1328

ORDER APPROVING APPLICATION

ON A FORMER DAY came GE Capital Mortgage Corporation ("GECMC"), a holding company for the GE group of mortgage insurers, and filed with the Bureau of Insurance ("Bureau") an application for an exemption pursuant to Virginia Code § 38.2-1328, with respect to a proposed corporate reorganization;

WHEREAS, GECMC proposes to transfer all of the stock of Home Guaranty Insurance Corporation ("Home Guaranty") from HGIC Corporation, Home Guaranty's immediate parent, to Verex Assurance, Inc., HGIC Corporation's immediate parent, and then GECMC proposes to dissolve HGIC Corporation;

WHEREAS, upon completion of the reorganization, GECMC will own all of the stock of Verex Assurance, Inc., which in turn will own all of the stock of Home Guaranty;

WHEREAS, the Bureau of Insurance has reviewed the proposed reorganization and recommends to the Commission that the exemption be approved; and

THE COMMISSION, having considered the application for the exemption and the recommendation of the Bureau, is of the opinion and finds that the proposed reorganization has not been made or entered into for the purpose of and does not have the effect of changing or influencing the control of Home Guaranty Insurance Corporation, a domestic insurer;

THEREFORE, IT IS ORDERED that the application of GE Capital Mortgage Corporation for an exemption from Virginia Code § 38.2-1323 through 38.2-1327 be, and it is hereby, APPROVED.

CASE NO. INS940173
OCTOBER 21, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED ONE HOME PROTECTION CORPORATION OF VIRGINIA,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-305.A, 38.2-305.B, 38.2-510.A.3, 38.2-511, 38.2-2608.A, 38.2-2608.B.2.d, and 38.2-2608.D.2, as well as Sections 4, 8(a) and 8(b) 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 ($5000), has waived its right to a hearing and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED:

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

(2) That Defendant cease and desist from any conduct which constitutes a violation of Virginia Code §§ 38.2-305.A, 38.2-305.B, 38.2-510.A.3, 38.2-511, 38.2-2608.A, 38.2-2608.B.2.d, and 38.2-2608.D.2, as well as Sections 4, 8(a) and 8(b) of the Commission's Rules Governing Unfair Claim Settlement Practices; and

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

CASE NO. INS940202
OCTOBER 20, 1994

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ROUTHINE H. HERBERT
Defendant

ORDER REVOKING LICENSE

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

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated August 17, 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 § 38.2-1813 by failing to hold collected premiums in a fiduciary capacity, and by failing to account for and remit when due premiums collected on behalf of a certain 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. INS940204
OCTOBER 20, 1994

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 TO TAKE NOTICE

WHEREAS, Virginia Code § 12.1-13 provides that the Commission shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and Virginia Code § 38.2-223 provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed revised regulation entitled "Revised Rules Establishing Standards for Life, Annuity, and Accident and Sickness Reinsurance Agreements;" and

WHEREAS, the Commission is of the opinion that the proposed revised regulation should be adopted;

THEREFORE, IT IS ORDERED:

(1) That all interested persons TAKE NOTICE that the Commission shall enter an order subsequent to November 25, 1995, adopting the revised regulation proposed by the Bureau of Insurance unless on or before November 25, 1994, any person objecting to the adoption of such a regulation files a request for a hearing, and in such request specifies in detail their objection to the adoption of the proposed revised regulation, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216;

(2) That an attested copy hereof, together with a copy of the proposed revised regulation, be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Alfred W. Gross who shall forthwith give further notice of the proposed adoption of the regulation by mailing a copy of this order, together with a copy of the proposed regulation, to all insurers, health services plans, and health maintenance organizations licensed to write life, annuity or 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.

NOTE: A copy of Attachment A entitled "Insurance Regulation No. 41 (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. INS940204
OCTOBER 21, 1994

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

AMENDING ORDER

IT APPEARING that the Order to Take Notice entered herein contained a typographic error in ordering paragraph number (1), line 2;

IT IS ORDERED:

(1) That the date be, and it is hereby, amended to read November 25, 1994.

(2) That an attested copy hereof be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Alfred W. Gross who shall forthwith give further notice of the proposed adoption of the regulation by mailing a copy of this order to all insurers, health services plans, and health maintenance organizations licensed to write life, annuity or 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. INS940205
OCTOBER 27, 1994

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 TO TAKE NOTICE

WHEREAS, Virginia Code § 12.1-13 provides that the Commission shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and Virginia Code § 38.2-223 provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed revised regulation entitled "Rules Governing Essential and Standard Health Benefit Plan Contracts;" and

WHEREAS, the Commission is of the opinion that a hearing should be held to consider the adoption of the proposed regulation;

THEREFORE, IT IS ORDERED:

(1) That the proposed regulation entitled "Rules Governing Essential and Standard Health Benefit Plan Contracts" be appended hereto and made a part of the record herein;

(2) That a hearing be held in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia at 10:00 a.m. on November 29, 1994, for the purpose of considering the adoption of the proposed regulation;

(3) That, on or before November 22, 1994, any person desiring to comment on the proposed regulation shall file such comments in writing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216;

(4) That an attested copy hereof, together with a copy of the proposed regulation, be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Gerald A. Milsky who shall forthwith give further notice of the proposed regulation and hearing by mailing a copy of this order, together with a copy of the proposed regulation, to all insurers, health services plans, and health maintenance organizations licensed to write accident and sickness insurance in the Commonwealth of Virginia; and

(5) That the Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) above.

NOTE: A copy of Attachment A entitled "Insurance Regulation No. 46 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. INS940207
DECEMBER 1, 1994

APPLICATION OF
VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

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

ORDER APPROVING AMENDED PLAN OF OPERATION

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

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

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

CASE NO. INS940215
NOVEMBER 29, 1994

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Virginia Code §§ 38.2-502.1, 38.2-502.4, 38.2-503, 38.2-511, 38.2-606.3, 38.2-606.6, 38.2-606.7, 38.2-606.8, 38.2-610.A.2, 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-1812.A, 38.2-1833.A.1, 38.2-3432.A.2, and 38.2-3432.C, as well as Sections 5.A, 6.A(2), 6.B(1), 9.C, 10.A, 13.A, 16 and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance;

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

(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, 38.2-502.4, 38.2-503, 38.2-511, 38.2-606.3, 38.2-606.6, 38.2-606.7, 38.2-606.8, 38.2-610.A.2, 38.2-316.A, 38.2-316.B, 38.2-316.C, 38.2-1812.A, 38.2-1833.A.1, 38.2-3432.A.2, 38.2-3432.C, or Sections 5.A, 6.A(2), 6.B(1), 9.C, 10.A, 13.A, 16 and 17.A of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance; and

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

CASE NO. INS940216
NOVEMBER 16, 1994

APPLICATION OF
MICHIGAN LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came the Michigan Life and Health Insurance Guaranty Association, as special deputy liquidator and successor to certain United States obligations of Sovereign Life Insurance Company, a Canadian insurer in liquidation, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C, whereby Franklin Life Insurance Company, an Illinois-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume the business of Sovereign Life Insurance Company;

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

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

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

CASE NO. INS940217
NOVEMBER 22, 1994

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

IMPAIRMENT ORDER

WHEREAS, The Manufacturers Life Insurance Company of America, 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 June 30, 1994, Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,501,854, and surplus of $2,740,392;

IT IS ORDERED that, on or before January 20, 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. INS940217
DECEMBER 13, 1994

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

FINAL ORDER

WHEREAS, by order entered herein November 22, 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 Vice President of Finance, the Commission was advised that Defendant restored its surplus to the minimum amount required by Virginia law; and

THE COMMISSION, having considered the affidavit filed by Defendant 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. INS940224
DECEMBER 6, 1994

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

IMPAIRMENT ORDER

WHEREAS, Republic Mortgage Company of Florida, 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 Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $1,000,005 and surplus of $2,770,775;

IT IS ORDERED that, on or before February 3, 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. INS940225
DECEMBER 6, 1994

APPLICATION OF
MUTUAL SECURITY LIFE INSURANCE COMPANY IN LIQUIDATION

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came Mutual Security Life Insurance Company in Liquidation ("Mutual Security"), by its receiver, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C., whereby Hartford Life Insurance Company, a Connecticut-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume Mutual Security's supplementary contracts and immediate annuities;

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

CASE NO. INS940226
DECEMBER 6, 1994

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

ORDER SUSPENDING LICENSE

WHEREAS, by letter filed herein, The Louisa Farmers Fire Insurance Company, by its president, 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 notice of 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. INS940241
DECEMBER 13, 1994

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

IMPAIRMENT ORDER

WHEREAS, National American Life Insurance Company of Pennsylvania, a foreign corporation domiciled in the Commonwealth of Pennsylvania and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, 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 31, 1994, Quarterly Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates, capital of $2,941,176, and surplus of $2,107,489;

IT IS ORDERED THAT, on or before February 10, 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. INS940242
DECEMBER 13, 1994

APPLICATION OF
SUMMIT NATIONAL LIFE INSURANCE COMPANY IN LIQUIDATION

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came Summit National Life Insurance Company in Liquidation ("Summit National"), 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 Midland National Life Insurance Company, a South Dakota-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume Summit National's guaranty association covered obligations;

WHEREAS, the Bureau of Insurance reviewed the application to ensure that policyholders will not lose any rights or claims afforded under their original policies pursuant to Chapter 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 Summit National Life Insurance Company in Liquidation for approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C be, and it is hereby, APPROVED.

CASE NO. INS940253
DECEMBER 29, 1994

APPLICATION OF
OLD COLONY LIFE INSURANCE COMPANY IN LIQUIDATION

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came Old Colony Life Insurance Company in Liquidation ("Old Colony"), 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 Mid-West National Life Insurance Company of Tennessee, a Tennessee-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume certain Old Colony life insurance policies as direct obligations;

WHEREAS, the Bureau of Insurance reviewed the application to ensure that policyholders will not lose any rights or claims afforded under their original policies pursuant to Chapter 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 Old Colony Life Insurance Company in Liquidation for approval of an assumption reinsurance agreement pursuant to Virginia Code § 38.2-136.C be, and it is hereby, APPROVED.

MOTOR CARRIER DIVISION - AUDITS

CASE NO. MCA920050
MARCH 18, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MIDLANTIC EXPRESS, INC.
How Lane
P.O. Box 2622
New Brunswick, New Jersey 08903

CORRECTING ORDER

IT APPEARING to the State Corporation Commission that a Judgment of Compromise and Settlement was entered on March 15, 1993, in the above-captioned matter, indicating that the Defendant settled this matter by the payment of $4,098.41 in lieu of the penalty and judgment amount in the amount of $20,371.05; and

IT FURTHER APPEARING that the Defendant paid $5,098.41, $4,098.41 of which was paid in settlement of a judgment in the amount of $19,371.05 entered against the Defendant by a Final Judgment Order dated December 24, 1994 and $1000 for the penalty imposed by said Order; accordingly,

IT IS ORDERED that the Commission's Order of March 15, 1993 be, and the same is hereby amended to reflect $5,098.41 as the amount of settlement of this case.

CASE NO. MCA930036
APRIL 1, 1994

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

OPINION

This proceeding came before the Commission on a Rule To Show Cause issued against Central Transport, Inc. ("Defendant") on the 31st day of August, 1993, alleging the Defendant was in violation of a previous order of this Commission dated the 15th day of March, 1990, requiring certain record-keeping procedures. The case was heard on November 22, 1993 and the Final Judgment Order was entered on December 7, 1993.

The Defendant stipulated that it was not in compliance with the March, 1990 Order leaving only the question of what sanctions, if any, should be imposed. The Staff recommended that the Commission not enter a judgment requiring a monetary penalty, but rather, that the system of reporting Virginia miles imposed in the March, 1990 Order be modified to require that the Defendant maintain its records with beginning and ending odometer or hubometer readings. The Defendant's main contention was that since the Commonwealth of Virginia was obligated to join the International Fuel Tax Agreement ("IFTA") compact by September, 1996, and that Defendant's required system of reporting will be changed at that time, it should be relieved of all responsibility not imposed by its IFTA base state.

Pursuant to §§ 58.1-2705 and 56-331 of the Code of Virginia, the Commission required the Defendant to maintain its records in specific form as set forth in the March, 1990 Order. There is no question that the Defendant violated that Order. Section 12.1-13 of the Code of Virginia grants to the Commission the power of a court of record to enforce all matters within its jurisdiction, including the power to punish for contempt. The power of the Commission in this area was not contested by the Defendant.

It is neither the desire, nor the policy of this Commission to prohibit or unduly hinder any motor carrier in transacting business in or through Virginia. The Commission, rather, seeks to enforce those duties imposed upon it by the laws of the Commonwealth in the most efficient and least obtrusive manner possible. To that end, the Commission is of the opinion that, although the Defendant is clearly in violation of the March 15, 1990 Order, no monetary penalty should be imposed. Rather, some remedy should be crafted to allow the Defendant to continue to operate in and through the Commonwealth, and at the same time, to ensure that road fuel tax records are kept in such a manner to allow adequate reporting and audit.

Section 58.1-2701 of the Code of Virginia requires each motor carrier of property operating within the Commonwealth of Virginia to pay a road tax of nineteen cents for each gallon of fuel used in Virginia. Section 58.1-2704 sets forth that the amount of fuel is to be ascertained by dividing the number of miles traveled by a carrier in Virginia by a consumption factor. The consumption factor is the number of the total miles run in the entire operation of the carrier divided by the total number of gallons of fuel used by the carrier.

As such, there are three pieces of information that must adequately be recorded by a motor carrier:

(1) The total miles traveled by the carrier in his operation;

(2) The total miles traveled in the Commonwealth of Virginia;

(3) The total amount of fuel used by the carrier;

The evidence submitted in this case shows that the Defendant is capturing adequately the amount of fuel used in its operations, but fails to capture reliable figures for the total miles traveled in its entire operation, and those miles traveled in Virginia. The Defendant instead estimates its mileage by a computer methodology based solely upon points of departure and destination, and not the actual routes of travel.

It is therefore the opinion of this Commission that to satisfy Virginia Code § 58.1-2704, the Defendant is required to maintain records of beginning and ending odometer or hubometer readings, as well as routes of travel, for each movement made by individual vehicles used in the operation. These documents are to be maintained for a four (4) year period in such a manner as to be readily available for audit.

CASE NO. MCA930037
APRIL 1, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
U. S. TRUCK COMPANY, INC.,
Defendant

OPINION

This proceeding came before the Commission on a Rule To Show Cause issued against U.S. Truck Company, Inc. ("Defendant") on the 2nd day of June, 1993, alleging that the Defendant had failed to provide adequate records and books needed to audit its operations and further requesting that the Defendant be ordered to keep records in accordance with the instructions of the Commission's Staff.

The evidence presented revealed that the Defendant was one of several corporations owned by Centra, Inc. Two other companies owned by Centra, Central Transport, Inc. (MCA930036) and Universal Am-Can, Ltd. (MCA920082), also appeared as defendants on that day's docket. By agreement, the cases maintained separate case numbers, but all three cases were heard together.

This Defendant, U.S. Truck Company, Inc., is a motor carrier operating for hire on an interstate basis, under authority granted by the Interstate Commerce Commission. The Defendant operates in and through the Commonwealth of Virginia and in so doing is subject to the payment of Motor Fuel tax pursuant to Title 58.1, Chapter 27 of the Code of Virginia. Between November 2 and 5, 1992, an audit of Defendant's records was conducted by Commission Staff and certain irregularities were noted.

At the time of the audit the Defendant compiled its mileage figures by using a computer system known as "milemaker, shortest route". This system is manufactured by Rand-McNally and is designed to estimate a route of travel, and thus its length in miles, by determining the shortest possible route from the designated point of departure to the designated point of destination. The routes of travel reported by Defendant and the corresponding mileage were estimated from the initial computer calculation, and no verification was made as to the actual routes traveled.

The Defendant contends that this problem has been remedied by the introduction of a new computer programming system, Rand-McNally's Practical Route System. Although the Defendant did not specifically articulate its grounds for this line of reasoning, we can only presume that the Defendant believes this sytem will more accurately mirror the routes taken by the drivers. The Staff, however, maintains that in order to audit adequately the Defendant some documentation needs to be kept to allow comparison of the computer-generated routes and miles to the actual routes and miles. Staff stated that it would accept the documentation such as was proposed by Centra, Inc., described below in Universal Am-Can Ltd., Case No. MCA920082.

Section 58.1-2701 of the Code of Virginia requires each motor carrier of property operating within the Commonwealth of Virginia to pay a road tax equivalent to nineteen cents per gallon of fuel used within the state. It is the statutory duty of this Commission to collect those monies and to ensure that the correct amount is paid by the taxpayer.

In order to discharge the duty imposed by statute, the Commission must require the motor carrier to keep records which can be audited. Both §§ 56-331 and 58.1-2705 of the Code of Virginia enable the Commission to require such reports as it may deem necessary.

Section 58.1-2704 sets out how the amount of fuel used in the Commonwealth is ascertained. This is done by dividing the total number of miles traveled by the carrier in Virginia within a given quarter by a consumption factor. The consumption factor is in turn comprised of the total number of miles traveled in that quarter by the carrier divided by the total amount of fuel used in it's operation for the quarter. Thus, it is paramount that any reporting system capture accurately three pieces of information:

(1) The total miles traveled by the carrier in its operation;

(2) The total miles traveled by the carrier in the Commonwealth; and

(3) The total amount of fuel used by the carrier.

The evidence submitted at the hearing shows that the record-keeping procedures used to capture the amount of fuel used by the Defendant is adequate. However, the same is not true as to the method used to account for total miles traveled in the entire operation, or the miles traveled in Virginia.

Even using the Rand-McNally Practical Route Program that the Defendant is suggesting, there remains the problem of ensuring that the routes generated by the computer are in fact the routes that were actually run. This was not done at the time of the audit nor did the Defendant produce any evidence to show that it is now being done.

There must be some means to ensure that the miles reported, and the miles actually traveled are one in the same, and we find that, in this case, there should be some independent verification of the miles generated by the computer program.

The simplest and least obtrusive remedy is the same as proposed by Defendant's parent company Centra, Inc. in the companion case of Universal Am-Can Ltd. MCA920082, that being the use of the "Fuel Trip Sheet." That document shows the routes of travel as well as the beginning and ending hubometer or odometer reading for each trip.

This form has the double advantage of not only giving a record of the actual routes traveled, but also of supplying a check for any deviations of the recorded routes of travel by allowing a comparison of the computer generated miles to miles recorded by a mechanical means.

Both witnesses testifying for the Defendant were employed by the parent company, Centra, Inc., which does all the reporting and permitting for the Defendant, as well as for those other companies it owns. When asked why the Defendant could not maintain records as those proposed to be kept by its sister corporation, there was no satisfactory answer forthcoming.

When the compelling need for an adequate set of records to compile the tax liability of the Defendant is balanced against the relatively unobtrusive requirement of keeping the information contained in the "Fuel Trip Report", we are of the opinion that the Defendant should be compelled to maintain records of beginning and ending odometer or hubometer readings, as well as routes of travel for each movement made by individual vehicles used in the operations of the Defendant. These documents are to be maintained for a four (4) year period in such a manner as to be readily available for audit.

CASE NO. MCA930081
FEBRUARY 4, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNIFI, INC.,
Attention: Chris Groce
Old Highway 421
P.O. Box 698
Yadkinville, North Carolina 27055,
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 $6,810.13, which amount having been paid, the case is ordered removed from the docket.

CASE NO. MCA940046
SEPTEMBER 9, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TRISM SPECIALIZED CARRIERS, INC.
East 7th Street Road
P.O. Box 113
Joplin, Missouri 64802,
Defendant

FINAL SETTLEMENT JUDGMENT ORDER

The Defendant herein having indicated a desire not to contest the Rule to Show Cause heretofore directed against it, but rather to settle this case by payment of the additional taxes, penalty, and interest as set forth in the Rule to Show Cause, and the Commission's Staff offering no objection thereto; accordingly,

IT IS ORDERED that the Defendant pays the sum of $28,008.39, which amount having been paid, the case is ordered removed from the docket.

MOTOR CARRIER DIVISION - ENFORCEMENT

CASE NO. MCE930786
FEBRUARY 2, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
A & B PROFESSIONALS, INC.
11828 Taft Drive
Fredericksburg, Virginia 22407,
Defendant

OPINION AND FINAL ORDER

This proceeding came before the Commission on a Rule To Show Cause issued against the Defendant on October 5, 1993, and was heard on the 11th of January 1994. The Rule alleged that the Defendant transported household goods intrastate in violation of § 56-338.8 of the code of Virginia.

The Staff's evidence consisted of the testimony of 3 witnesses, J. R. Thomas, Judy McPherson-Petersen, and Paul Hartle.

Mr. Thomas testified that, in performance of his duties as a Special Agent of the Commission, he had occasion to inspect a truck owned by Ryder Truck Rentals Inc. and operated by employees of the Defendant. The truck was loaded with household goods owned by Mr. Paul Hartle. The movement was from the Hartle residence in Culpeper, Virginia to the new residence in Dumfries Virginia.

Mrs. McPherson-Peterson testified that the Defendant, A & B Professionals Inc., was not a certificated household goods carrier but rather held a permit as a contract carrier.

Mr. Hartle testified that he did employ the defendant corporation to make the movement of his household goods from his old residence in Culpeper, Virginia to his new residence in Dumfries, Virginia a distance of over 50 miles. The movement was made by the Defendant on the 29th and 30th of June 1993.

Mr. Hartle further testified that when he first approached the Defendant in connection with the move he was informed by Mr. David Anderson, the principal owner of the defendant corporation, that the Defendant did not possess the proper authority to make a movement of household goods for a distance greater than 30 miles, but he could make the movement in a rental truck without having the required authority. The witness also testified that he at no time gave representatives of the Defendant permission to rent a truck in his name, nor did he in fact rent a truck to make the move. On the day of the move, employees of the Defendant came with the truck, loaded it, drove it and then unloaded the household goods without any control being exercised by Mr. Hartle.

The Defendant's evidence consisted of the testimony of Mr. David Anderson, the principal owner of the Defendant. Mr. Anderson testified as follows: (1) that he met with Mr. Hartle and informed him that the Defendant corporation, A & B Professionals, Inc., had no authority to make household goods move of over 30 miles and that in order to make the move a truck would have to be rented in Mr. Hartle's name; (2) that the defendant would supply all the labor and expertise for the actual movement; (3) that he in fact did rent the truck from Ryder Truck Rentals in the name of Mr. Hartle; (4) that the employees of his Company did make the movement on the 29th and 30th of June 1993; and (5) that one of the employees was in charge of the labor performed and the truck was driven by an employee of the Defendant. The witness further stated that the form signed by Mr. Hartle made it clear that the vehicle was to be rented in the name of Mr. Hartle.

Mr. Anderson also testified that he was under the belief that by renting a truck in the name of the owner of the household goods there was no need for his Company to possess a certificate of convenience and necessity as a household goods carrier.

The only conflict in the evidence is whether actual permission was given to the Defendant by Mr. Hartle to rent the vehicle which made the move. We will assume arguendo that permission was given. The permission to rent a vehicle to make the movement in question alone is not determinative.

There is no question that if an owner of household goods wishes to move that property intrastate, there is no requirement for that person to hold any authority from this Commission. It is as equally true that when a business entity wishes to engage in the business of moving household goods intrastate, for compensation, some authority from this Commission must be obtained, whether it be a certificate as a household goods carrier, or in the case of movements of less than 30 miles, a contract carrier permit.

The distinction becomes less clear when the business entity involved purports to provide labor to the owner of the property to be moved. The determinative factor must be the control exercised by the owner or shipper of the goods. If, for example, the owner of the household goods were to rent or buy a vehicle to make the move and then contract with some employment agency to hire laborers to perform the required tasks of making the physical movement under his direct control and supervision, there would be no need for authority. If, on the other hand, a business entity were to supply a vehicle and driver, as well as all labor to perform the movement of household goods for more than 30 miles without the supervision of the owner, then this is an operation needing a certificate of convenience and necessity as a household goods carrier.

In the case now before us it is clear from the evidence that the Defendant holds itself out as a household goods mover and when faced with a situation where it is requested to make a household goods move of more then 30 miles it simply rents a truck in the name of the owner of the household goods and proceeds to make the move as if it were under 30 miles, the only difference being the truck used. It is also clear that Mr. Hartle exercised no control over driver, movers, or the truck.

Although we do not doubt the truth of Mr. Anderson's statements that he thought what he was doing was legal, the fact remains it was not, and as such the movement was in violation of § 56-338.8.

THE COMMISSION, upon consideration of the entire record in this case is of the opinion and finds:

That the defendant operated as a household goods carrier on June 29th and 30th, 1993, without first obtaining a certificate of public convenience and necessity as a household goods carrier in violation of § 56-338.8 of the Code of Virginia; accordingly

IT IS ORDERED:

(1) That the Defendant pay to the Commonwealth a penalty in the sum of $100;

(2) That unless said penalty is paid prior to March 3, 1994, all registration cards, identification markers, stamps, warrants, exemption cards and decals issued by the Commission to the Defendant for motor vehicles owned or operated by the Defendant shall be null and void and shall be surrendered for cancellation; and

(3) That no authority be, hereafter, issued by the Commission for the operation by the Defendant of any motor vehicle until said penalty is paid.

CASE NO. MCE940462
JULY 25, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DANNY ANGELILLO, t/a SHAR-DAY TRUCKING
5647 Carisbrooke Lane
Portsmouth, Virginia 23703,
Defendant

FINAL ORDER

On May 5, 1994, the Commission issued its Rule to Show Cause against the Defendant, Danny Angelillo t/a Shar-Day Trucking, based on the report of its Motor Carrier Division, which alleged:

> Defendant, has improperly base licensed nine (9) tractors in the State of New Jersey, in violation of §§ 46.2-711, 46.2-600, and 56-304 of the Code of Virginia.

The matter was brought on for hearing before the Commission on May 24, 1994. Special Agent D. R. Copley testified on behalf of the Motor Carrier Division and the Defendant testified in his own behalf. At the conclusion of the hearing, the Commission directed its Staff counsel to file a brief of the issues presented and advised Defendant that he could file a response to Staff's brief if he desired.

Staff's Memorandum was filed on June 1, 1994, and Defendant's letter response was received on June 15, 1994.

NOW THE COMMISSION, having considered the testimony and evidence presented at the hearing, the Staff Memorandum and the response of Defendant, as well as the applicable statutes and rules, is of the opinion and finds that no penalty should be imposed against the Defendant and, accordingly, the Rule to Show Cause is dismissed.

As noted, the issue presented was whether the Defendant had improperly registered trucks owned by him in New Jersey, rather than in Virginia. The evidence disclosed that Defendant has residences in both states, but that he spends the majority of the year in Virginia; that all but one of his drivers reside in the Tidewater area of Virginia and that the trucks are most commonly dispatched from there; however, the carrier which leases Defendant's trucks, American Intermodal, Inc., also has facilities in New Jersey and the trucks are occasionally dispatched from that state; that Defendant has an "800" telephone at his residence in New Jersey through which he obtains business, but maintains no permanent business records in that state. The Staff points out in its Memorandum that Defendant has no warehouse facility or terminal in New Jersey; Defendant responds that he has no such facilities in Virginia either.

Various provisions of the Code of Virginia, referenced in Staff's Memorandum, require all persons who reside in Virginia and who own or operate a motor vehicle, to obtain a registration and certificate of title from the Department of Motor Vehicles. However, owners or operators of certain commercial vehicles may be exempted from these provisions if the Governor of the Commonwealth has entered into a reciprocal agreement with the state in which registration is maintained. Both New Jersey and Virginia are members of such an agreement, the Multistate Reciprocal Agreement ("MRA"). Sections of that pact establish certain criteria for the determination of which state is to be considered the "base" state for licensing and registration purposes.

Section III, subsection B, of the MRA contains the following definition of "base:"

> B. Base. 1. The term base shall mean the place where the vehicle is most frequently dispatched, garaged, serviced, maintained, operated or otherwise controlled; or, in the case of a vehicle, the jurisdiction to which it is allocated for registration under statutory requirements. The owner of the vehicle or the carrier operating the vehicle shall designate the jurisdiction in which he considers the vehicle based, but, such carrier must have a place of business at such location and must use the vehicle in connection with such place of business.

The evidence has been set forth at some length, and the definition of "base" set forth in its entirety, to illustrate the question before the Commission. Staff argues that Defendant's vehicles are most frequently "dispatched, garaged, serviced, maintained, operated or otherwise controlled" in Virginia, and the evidence supports such a conclusion. However, the evidence also supports Defendant's assertion that he has "designate[d] the jurisdiction in which he considers the vehicle based" to be New Jersey, that he has an "800" telephone number for his business there, and that the carrier which leases his vehicles has a place of business there. In short, it is a close question. The Commission finds that the Staff has not shown by a preponderance of the evidence that Defendant is incorrect in designating New Jersey to be the base jurisdiction. Accordingly,

IT IS ORDERED:

(1) That the Rule to Show Cause be, and hereby is, dismissed; and

(2) There being nothing further to come before the Commission, the papers be transferred to the file for ended causes.

MOTOR CARRIER DIVISION - RATES AND TARIFFS

CASE NO. MCS930015
MARCH 30, 1994

APPLICATION OF
JULIAN TRAVEL ASSOCIATES, INC.

For a license to broker the transportation of passengers by motor vehicle

CORRECTING ORDER

IT APPEARING to the State Corporation Commission that the Order entered herein on May 18, 1993, was in error as to the description of the authority granted by that the Order stated "to all points in Virginia" when in fact the authority applied for was from points of origin located within the Cities of Alexandria, Fairfax, Falls Church, Manassas, Manassas Park, and Fredericksburg, as well as the Counties of Fairfax, Prince William, Stafford, Fauquier, Loudoun, and Arlington to all points in Virginia; accordingly,

IT IS ORDERED:

(1) That the Commission's Order of May 18, 1993, be, and the same is hereby, amended to reflect that the authority granted was to broker the transportation of passengers by motor vehicle from the points of origin listed above to all points in Virginia.

CASE NO. MCS930067
JANUARY 7, 1994

APPLICATION OF
BETTER BUSINESS CONNECTION, INC., t/a BBC EXPRESS

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on October 2, 1993, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service, restricted to transportation in vehicles having a capacity of twenty-five (25) or fewer passengers, from points of origin located in the cities of Alexandria, Fairfax, and Falls Church 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 Glenn P. Richardson. M. Brooks Savage, Jr., Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. John R. Sims, Jr., Esquire appeared as counsel to the Protestant, and no intervenor(s) 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 November 22, 1993.

The Hearing Examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a special or charter party carrier by motor vehicle;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is warranted by the public convenience and necessity;

The Protestant filed no comments to the Hearing Examiner's Report.

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;

(2) That Better Business Connection, Inc., t/a BBC Express 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 cities of Alexandria, Fairfax, and Falls Church as well as the counties of Arlington, Fairfax, Loudoun and Prince William, Virginia to all points within the Commonwealth of Virginia, subject to the two following restrictions: (1) the authority should be restricted to the transportation in vehicles having a seating capacity of twenty-five

(25) or fewer passengers; and (2) transportation limited to special or charter party trips arranged through Loudoun Travel and special or charter party trips originating at the Dulles International Airport.

CASE NO. MCS930088
FEBRUARY 17, 1994

APPLICATION OF
BOSTON COACH-WASHINGTON CORP.

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

In this case, Boston Coach-Washington Corporation ("Boston" or "Applicant") seeks a certificate of public convenience and necessity pursuant to Title 56, Chapter 12.4, of the Code of Virginia as a special or charter party carrier by motor vehicle, requesting authority to provide service as was shown on Exhibit A attached to our order of July 28, 1993, in this case.

This matter was heard September 2, 1993, by Senior Hearing Examiner Russell W. Cunningham. Protestants appearing were Virginia Coach Company, Tri-State Casino Tours, National Coach Works, Inc. of Virginia (collectively "Virginia Coach") and Franklin Charter Bus, Inc. ("Franklin Bus"). Graham G. Ludwig, Jr., Esq., appeared as counsel to the Commission.

At the beginning of the hearing, counsel for Boston, Jeremy Kahn, Esq., advised the Hearing Examiner that he was currently only an inactive member of the Virginia State Bar. He stated, however, that he was associated with Virginia counsel, Elliott Bunce, Esq., of Arlington, Virginia. Mr. Kahn said that Mr. Bunce was not present at the hearing because Mr. Kahn believed, on the basis of his previous practice before the Commission, that personal appearance of associated local counsel was not required.

Counsel for Virginia Coach objected to Mr. Kahn's participation in the case, citing Commission Rule of Practice and Procedure 4:8 ("Rule").[1] However, the Hearing Examiner ruled from the bench that he would permit Mr. Kahn to continue with the case, since he had appeared before the Commission in the past and would presumably comport himself properly in this case.

At the conclusion of the hearing, both Protestants renewed their objections to Mr. Kahn's appearance, and the Hearing Examiner directed all parties to brief the issue.

On October 21, 1993, the Hearing Examiner issued a written ruling overruling Protestants' objections on the above issue.

On October 22, 1993, the Examiner issued his Final Report in the case. In that Report, he addressed the substantive issues, finding that the Applicant is fit, willing and able to provide the service, and that there is a public need for the service. He also found no evidence of any potential ruinous competition which would affect negatively the Protestants. He therefore recommended that the Commission enter an order granting the application. The parties were advised to file any responses to the Report within 15 days.

On the last day for filing responses, counsel for Franklin Bus moved the Commission for additional time to make such response. By order of November 12, 1993, we allowed Franklin Bus to respond by November 22, and Boston to file a reply by November 29.

We deem the issue concerning Applicant's counsel to be the only one which merits significant discussion in this case. Aside from that issue, the matter is clear. The Applicant's evidence firmly established the necessary substantive elements of its case.

Franklin Bus urges us, however, to conclude that the application should be denied because the Applicant did not have proper representation before the Commission. Although it did not respond to the Examiner's Report, Virginia Coach had argued the same position during the hearing and on brief to the Examiner.

The hearing in this matter took almost a full day; nine witnesses testified and a transcript of 177 pages was produced. The Examiner was convinced, as are we, that the evidence strongly favors granting the application.

Thus, were we to sustain the Protestants' objections here, the likely result would be that Boston would refile the application; Mr. Kahn would bring local counsel to the hearing with him; the case would be retried (with possibly little or no participation by such local counsel); and the outcome would be the same. Such a scenario does not promote judicial economy or the furtherance of justice in this case.

Does the law, nevertheless, require us to sustain the objections? We do not believe so. Our Rule 4:8 provides that no foreign attorney may appear here "unless in association with a member of the Virginia State Bar." Virginia Supreme Court Rule 1A:4 similarly states that:

> An attorney from another jurisdiction may be permitted to appear in and conduct a particular case in association with a member of the Virginia State Bar....

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[1] Rule 4:8 provides: "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."

There are several problems in using these rules as a basis to deny the application in this case.

First, Mr. Kahn did represent to the Examiner that he was associated with a member of the Virginia State Bar, Elliott Bunce, Esq.[2] There has been no contention that this statement was incorrect. Rather, the argument seems to be that such local counsel must be present in the hearing room, and that nothing less can constitute an "association."[3] Our attention has not been called to any Virginia case which has so construed this term, however, and we are aware of none. Further, there has been no allegation of any prejudice as a result of the fact that local counsel was not present.

That is not to say that we unequivocally approve of the course followed here. For the future guidance of parties appearing before us, we believe it is preferable that local counsel attend the hearing in person to introduce any foreign counsel with whom they are associated. Nevertheless, the Examiner's handling of the issue here was appropriate under the circumstances with which he was then confronted.

The Virginia Supreme Court has said the purpose of such a rule:

> is to facilitate the efficient administration of court business by permitting a court to deal exclusively with local counsel, upon whom all notices and processes may be served. It is necessary that our courts have access to attorneys of record who are personally subject to their supervisory control rather than risk delays in communicating with foreign attorneys who may be inaccessible, uncooperative, or unfamiliar with the rules and statutes governing the trial of cases in Virginia.

Ortiz v. Barrett, 222 Va. 118, 127 (1981).

If, as seems clear from the above statement, the courts are the intended beneficiaries of such a rule, we cannot see what right or standing there is to complain about an alleged breach of these rules, where, as here, there is nothing to indicate that counsel was unfamiliar with our procedures, or with Virginia law applicable to the case, or that counsel's conduct caused any unnecessary delay or prejudice to the Commission or the other parties.

In addition to Ortiz, supra, a number of other cases have been presented for our consideration, but we do not find them persuasive. Some are from other states, and apply rules on "foreign" practice which have substantially different formulations than Virginia's. Paul v. Alabama, 265 So.2d 180 (1972) and Maine v. Woodward, 383 A.2d 661 (1978), for example, discuss rules which seem to require that local counsel initiate, either in person or by motion, the request for admission of foreign counsel. In Smith v. North Carolina, 272 S.E.2d 834 (1981), a statute required that a very detailed written motion, with a number of averments, be filed by the foreign attorney as a condition to admission.

Of the Virginia cases cited, Ortiz, supra, as noted, states the reason for rules of this type, but it has no other application to the facts of this case. In Horne v. Bridwell, 193 Va. 381 (1952), the issue was whether the foreign attorney was licensed in any state, not whether he was properly associated with local counsel. In Northern Virginia Law School v. City of Alexandria, 680 F. Supp. 222 (1988), the federal court, as a matter of discretion, waived enforcement of its local rule on this subject and permitted a foreign attorney to argue a motion without the presence of local counsel. This case is hardly helpful to Franklin Bus since it contends that the Hearing Examiner lacked similar discretion.

Biczo v. Roziak, 10 Va. Cir. 69 (1986), held that the filing of a motion for judgment by a foreign attorney, without association of local counsel, was not effective to toll the applicable statute of limitations. (The statutory period expired a few days after the action was filed.)

This circuit court decision is distinguishable from the instant case. As noted earlier, there is no showing that the parties have suffered any harm, nor lost any right, because of the challenged ruling. True, the application has not been rejected, but that is a consequence of the proof adduced, and not of the resolution of this collateral issue. By contrast, in the Biczo case, defendant sought, by his plea of the statute of limitations, to bar forever the plaintiff's case. An adverse ruling would have deprived him of a real legal benefit. Here, if we sustain the objections, Boston will be free to refile its application immediately, and the entire proceeding will have to be repeated.

In addition, even the Biczo court would have allowed the original pleading to be signed later by a Virginia attorney, had the statute not run in the meantime. Biczo, supra, at 70. This willingness to sanction such simple curative remedies, when available, is instructive as to how that court would have viewed such a matter in any ordinary case.

Finally, as noted earlier, Boston's counsel was, from all that appears, associated with Virginia counsel; the only complaint was that Virginia counsel was not present at the hearing.

Thus, we sustain the Examiner's challenged ruling in this case. We find it was not error to allow Boston's counsel to represent his client under the circumstances here. Nor do we find any harm accruing to the Protestants from this ruling, even had it been incorrect.

UPON CONSIDERATION of the Application, the Hearing Examiner's Report, the responses thereto, and the remainder of the record, the Commission is of the opinion and finds that the Application is jusitified by the public convenience and necessity and should be granted.

ACCORDINGLY, IT IS ORDERED:

(1) That the Hearing Examiner's findings are adopted; and

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[2]Boston's brief to the Hearing Examiner, dated September 15, 1993, was signed jointly by Mr. Kahn and a member of Mr. Bunce's firm.

[3]Whether it would also be contended that local counsel must be present throughout the proceeding is not clear. We have quite often permitted local counsel to appear at the beginning of a hearing, introduce foreign counsel who will conduct the case, and then leave. We do not recall that such a practice has ever been objected to.

(2) That Boston Coach-Washington Corporation is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle from points of origin located in the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park as well as the counties of Arlington, Fairfax, Loudoun and Prince William to all points within the Commonwealth of Virginia. Said certificate is to be limited to the transportation of passengers in vehicles with a passenger seating capacity of 29 or less.

CASE NO. MCS930118
JANUARY 18, 1994

APPLICATION OF
SUPREME LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Supreme 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 Amending Order on November 19, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before January 10, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 19, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as 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. MCS930119
FEBRUARY 18, 1994

APPLICATION OF
SUPREME LIMOUSINE SERVICE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Supreme 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 Amending 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 2, 1994; 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. MCS930122
JANUARY 18, 1994

APPLICATION OF
THOMAS C. JORGENSEN

For a license to broker the transportation of passengers by motor vehicles

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on October 4, 1993, to receive evidence on this application of Thomas C. Jorgensen for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia;

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. The Applicant appeared pro se. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or Intervenors appeared or participated at the hearing.

The Hearing Examiner rendered his report on December 3, 1993, and made the following findings:

(1) The Applicant is fit, willing, and able to provide the service requested;

(2) That since the Applicant and his wife are the principal owners of Luv Bus, Inc., the authority granted should be restricted so as not to allow the Applicant to use this broker's license to solicit individual customers for the purpose of utilizing the special or charter party services of LUV Bus, Inc.,

(3) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(4) The application is proper and in the public interest.

By a letter dated December 10, 1993, the Applicant indicated he did not object to the restriction recommended by the Hearing Examiner.

Upon consideration of the application, the transcript, the Hearing Examiner's Report, and the comments of the Applicant, 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 as requested by the application's granted subject to the restriction recommended by the Hearing Examiner.

CASE NO. MCS930126
MAY 16, 1994

APPLICATION OF
USA TRANSPORTATION, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission that USA Transportation ("Applicant") filed an application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 of Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on August 17, 1993, directing the Applicant to provide public notice of its application to interested person and further directing any person desiring to file a written comment on the application to file said comments and requests for hearing; that objections and requests for hearing were filed and, pursuant thereto, a public hearing was held.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Tommy A. Bear, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr. appeared as counsel for the Commission. Those objecting to the application appeared as intervenors and no formal Protestants participated in the proceeding.

At the conclusion of the hearing, the 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 have been filed, and the comment period has expired with the filing of one comment.

The hearing examiner made the following findings:

(1) The Applicant is fit, willing, and able to render adequate and reliable service as a limousine carrier;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The Applicant should be granted a certificate as a limousine carrier pursuant to § 56-338.114 of the Code of Virginia.

UPON CONSIDERATION of the application, the Hearing Examiner's Report, the transcript, and the comments, the Commission is of the opinion and finds that the application should be granted. Accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, approved by the Commission;

(2) That USA Transportation, Inc. is granted a certificate as a limousine carrier authorizing it to transport passengers by limousine to and from all points in Virginia; and

(3) That the certificate granted above be issued to the Applicant upon satisfaction of all requirements for operation set by law and regulations of this Commission.

CASE NO. MCS930136
JANUARY 7, 1994

APPLICATION OF
YELLOW CAB COMPANY OF CHARLOTTESVILLE

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 November 17, 1993, to receive evidence on this application for a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle. Applicant seeks authority to provide service from points of origin located in the city of Charlottesville as well as the counties of Albermarle and Nelson to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before 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 participated in the proceeding. Intervenors, William Wade Wild and John Stephen Napier, participated in the proceeding, and spoke in opposition to the application.

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 8, 1993.

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;

No comments were filed to the Hearing Examiner's Report.

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 Yellow Cab Company of Charlottesville 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 city of Charlottesville as well as the counties of Albermarle and Nelson to all points within the Commonwealth of Virginia.

CASE NO. MCS930137
JANUARY 4, 1994

APPLICATION OF
NORMAN WARREN

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Norman Warren ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on September 20, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before November 8, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 20, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as 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. MCS930142
JANUARY 7, 1994

APPLICATION OF
YELLOW CAB COMPANY OF CHARLOTTESVILLE

For a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on November 17, 1993, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers by motor vehicle over irregular routes within the geographic area of the city of Charlottesville as well as the counties of Albemarle and Nelson.

On November 17, 1993, the Hearing Examiner convened the hearing and was informed by counsel for the Applicant that the Notice of Publication had not been made due to an error on the part of the local newspaper. The Hearing Examiner, in open court, then continued the case until December 13, 1993.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner, Howard P. Anderson. Calvin F. Major, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire, appeared as counsel to the Commission. Although objections were filed prior to the hearing, no Protestant or Intervenor 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 city of Charlottesville, as well as the counties of Albemarle and Nelson be, and the same is hereby, granted.

CASE NO. MCS930145
JANUARY 7, 1994

APPLICATION OF
TAR HEEL STAGE LINES, INC.,
Transferor
and
NORFOLK MOTOR COACH, LTD.,
Transferee

To transfer certificate of public convenience and necessity as a special or charter party carrier No. B-395

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on December 15, 1993, to receive evidence on this Application for the transfer of certificate of public convenience and necessity as a special or charter party carrier, which would authorize the holder thereof to transport passengers by special or charter partys by motor vehicle.

ON THE APPOINTED DAY the hearing was held before 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-395;

(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, No. B-395, be, and the same is hereby, granted.

CASE NO. MCS930146
JANUARY 4, 1994

APPLICATION OF
SARDAR A. TOKHI, t/a EXPRESS LIMOUSINE & SEDAN SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Sardar A. Tohki t/a Express 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 October 28, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for

hearing on or before December 16, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 28, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as a limousine carrier should be granted to the Applicant pursuant to § 56-338.114; accordingly,

IT IS ORDERED:

(1) That a certificate as a limousine carrier be and the same is hereby, granted authorizing Applicant to transport passengers by limousine between all points in Virginia; 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. MCS930150
JANUARY 7, 1994

APPLICATION OF
DORENE SHAFFER, t/a SHAFFER SEDAN SERVICE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Dorene Shaffer, t/a Shaffer 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 28, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 16, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of October 28, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as 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. MCS930157
FEBRUARY 25, 1994

APPLICATION OF
BRUCE E. HOWELL

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Bruce E. Howell ("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 5, 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 24, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of January 5, 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. MCS930158
MAY 20, 1994

APPLICATION OF
TESS TRAVEL AND CONFERENCE SERVICES, INC.

For a license to broker the transportation of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on May 11, 1994, to receive evidence on this application of Tess Travel and Conference Services, Inc. for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from all points in Virginia;

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Harvey Latney, 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. MCS930159
JANUARY 6, 1994

APPLICATION OF
CHARLES HENRY NELSON, SR., t/a NELSON'S LIMOUSINE SERVICE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Charles Henry Nelson, Sr. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on November 5, 1993, directing the Applicant to provide public notice of its Application to interested persons and further directing any person

desiring to file a written comment on, object to, or request a formal hearing on the Application to file such comment, objection, or request for hearing on or before December 27, 1993; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of November 5, 1993; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, and the report of the Staff, is of the opinion and finds:

(1) That the Applicant is fit, willing, and able to provide the proposed service; and

(2) That a certificate as 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. MCS930160
JANUARY 18, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WALI A. HASSAN, t/a ATW LIMOUSINE SERVICE
4196 Windflower Court
Woodbridge, Virginia 22193,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on January 11, 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 common carrier of passengers by motor vehicle over irregular routes, No. P-2588, 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. MCS930161
JANUARY 18, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROMENADE LIMOUSINE SERVICES, LTD.
3648 Kim Terrace
Virginia Beach, Virginia 23452,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on January 11, 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-252, 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. MCS930163
FEBRUARY 18, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE POLO BAY CORPORATION
2910 Fox Chase Drive
Midlothian, Virginia 23113,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on February 15, 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-147, 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. MCS930165
APRIL 4, 1994

APPLICATION OF
TURNER TRANSPORT COMPANY,
Transferor
and
J&P TRANSPORT, INC.,
Transferee

To transfer certificate of public convenience and necessity as a petroleum tank truck carrier No. K-113

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on March 29, 1994, to receive evidence on this application for the transfer of certificate of public convenience and necessity as a petroleum tank truck carrier, No. K-113, which authorizes the holder thereof to transport petroleum products as described in said certificate.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner 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. K-113 as described above;

(2) That the Transferee can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) That the application is proper and in the public interest.

At the conclusion of the hearing on this application, the hearing examiner announced the above findings and advised counsel for the Applicants that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was determined to be unnecessary.

Upon consideration of the application and the Hearing Examiner's Report, the Commission is of the opinion and 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 petroleum tank truck carrier, No. K-113, as described above be, and the same is hereby, granted.

CASE NO. MCS930168
FEBRUARY 23, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NATIONAL TOUR SERVICES, LTD, t/a RED CARPET LIMOUSINE SERVICE
44 National Avenue
Staunton, Virginia 24401,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on February 15, 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 authority as a limousine carrier, granted by an order of this Commission, dated June 4, 1992, and entered in Case No. MCS920044 be and the same is revoked and no certificate is to be issued.

CASE NO. MCS930169
MARCH 3, 1994

APPLICATION OF
MERRITT TRUCKING COMPANY OF VIRGINIA, INC.

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on February 9, 1994, to receive evidence on this Application for a certificate of public convenience and necessity as a petroleum tank truck carrier, which would authorize the transportation of petroleum products from points of origin in the Counties of Campbell, Amherst, and Albermarle, as well as, the town of West Point, Virginia. The request for authority was limited to providing transportation of liquefied petroleum gas in bulk.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner, Deborah V. Ellenberg. Robert Alfred Gouldin, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, 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 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 she would recommend that the Commission enter an order granting the Application. Counsel then waived the 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 justified by the public convenience and necessity; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as petroleum tank truck carrier be, and the same is hereby, granted, authorizing the transportation of petroleum products from points of origin in the Counties of Campbell, Amherst, and Albermarle, as well as, the Town of West Point, Virginia. The authority is limited to providing transportation of liquefied petroleum gas in bulk.

CASE NO. MCS930170
MARCH 3, 1994

APPLICATION OF
KENAN TRANSPORT COMPANY

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on February 9, 1994, to receive evidence on this application for a certificate of public convenience and necessity as a petroleum tank truck carrier which would authorize the transportation of petroleum products from points of origin in Campbell County, Virginia. The request for authority was limited to providing transportation of liquefied petroleum gas.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Deborah V. Ellenberg. Calvin F. Major, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Esquire appeared as counsel for the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in this 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 she would recommend that the Commission enter an order granting the application. Counsel then waived the 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 justified by the public convenience and necessity; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as petroleum tank truck carrier authorizing the transportation of petroleum products from points of origin in Campbell County, Virginia, be, and the same is hereby, granted. The authority is limited to providing transportation of liquefied petroleum gas.

CASE NO. MCS930171
APRIL 11, 1994

APPLICATION OF
WENDELL TRANSPORT CORPORATION OF VIRGINIA

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on February 9, 1994, to receive evidence on this Application for a certificate of public convenience and necessity as a petroleum tank truck carrier, which would authorize the transportation of petroleum products from points of origin in the City of Roanoke, as well as, the Counties of York, King William and Campbell, Virginia.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Deborah V. Ellenberg. Charles W. Hundly, Esquire, appeared as counsel for the Applicant. Calvin F. Major, Esquire appeared as counsel for the Protestant, Transport South of Virginia, Inc. Graham G. Ludwig, Esquire, appeared as counsel for the Commission. No Interveners appeared or participated at the hearing. At the commencement of the hearing, counsel for the Protestant formally withdrew the protest.

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 she would recommend that the Commission enter an order granting the Application. Counsel then waived the 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 justified by the public convenience and necessity; accordingly,

IT IS ORDERED:

(1) That the findings of the earing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a petroleum tank truck carrier be, and the same is hereby granted, authorizing the transportation of petroleum products from points of origin in the City of Roanoke, as well as the Counties of York, King William and Campbell, Virginia.

CASE NO. MCS930172
APRIL 1, 1994

APPLICATION OF
SIGNATURE TRAVEL & LIMOUSINE SERVICE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Signature Travel & Limousine Service ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on February 2, 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 22, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 2, 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. MCS930173
FEBRUARY 18, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ADVENTURE LIMOUSINE SERVICE, LTD.
7655 Fullerton Road
Springfield, Virginia 22153,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on February 15, 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-232, 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. MCS930174
APRIL 8, 1994

APPLICATION OF
GULFSTREAM LIMOUSINE COMPANY, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Gulfstream Limousine Company, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on February 4, 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 28, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 4, 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. MCS930175
MARCH 3, 1994

APPLICATION OF
FOSTER FUELS, INC.

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on February 9, 1994, to receive evidence on this Application for a certificate of public convenience and necessity as a petroleum tank truck carrier which would authorize the transportation of petroleum products from points of origin in Campbell County, Virginia. The request for authority was limited to providing transportation of liquefied petroleum gas.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Deborah V. Ellenberg. Calvin F. Major, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Esquire, appeared as counsel 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 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 she would recommend that the Commission enter an order granting the Application. Counsel then waived the 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 justified by the public convenience and necessity; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a petroleum tank truck carrier be, and the same is hereby granted, authorizing the transportation of petroleum products from points of origin in Campbell County Virginia. The authority is limited to the transportation of liquefied petroleum gas.

CASE NO. MCS930176
MARCH 3, 1994

APPLICATION OF
PROPANE TRANSPORT OF VIRGINIA, INC.

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on February 9, 1994, to receive evidence on this Application for a certificate of public convenience and necessity as a petroleum tank truck carrier which would authorize the transportation of petroleum products from points of origin in Campbell County, Virginia. The request for authority was limited to providing transportation of liquefied petroleum gas.

ON THE APPOINTED DAY, the hearing was held before Hearing Examiner Deborah V. Ellenberg. Calvin F. Major, Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Esquire, appeared as counsel 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 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 she would recommend that the Commission enter an order granting the Application. Counsel then waived the 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 justified by the public convenience and necessity; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a petroleum tank truck carrier be, and the same is hereby granted, authorizing the transportation of petroleum products from points of origin in Campbell County Virginia. The authority is limited to the transportation of liquefied petroleum gas.

CASE NO. MCS930177
JANUARY 18, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MS. LTD., t/a IMPERIAL TRAVEL
4618 Emmett Road
Glen Allen, Virginia 23060,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on January 11, 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 special or charter party carrier by motor vehicle, No. B-33, 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. MCS930178
MARCH 10, 1994

APPLICATION OF
HALLMARK MOVING AND STORAGE COMPANY, INC.,
Transferor
and
REGENCY MOVING AND STORAGE COMPANY, INC.,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier, No. HG-418

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on March 2, 1994, to consider this application to transfer certificate of public convenience and necessity as a household goods carrier, No. HG- 418, 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. Edward J. Kiley, 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-418;

(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-418, be, and the same is hereby, granted.

CASE NO. MCS930179
MARCH 14, 1994

APPLICATION OF
D.A.Y. ENTERPRISES, 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 16, 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 Arlington, Fairfax, Prince William and Loudon as well as the cities of Fairfax, Alexandria, Manassas, Falls Church and Manassas Park 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 proceeding.

After considering the evidence presented in the case, the Hearing Examiner found:

(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.

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, the Hearing Examiner's Report, the transcript, and the comments, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That D.A.Y. Enterprise, 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, Fairfax, Prince William and Loudon as well as the cities of Fairfax, Alexandria, Manassas, Falls Church and Manassas Park to all points within the Commonwealth of Virginia.

CASE NO. MCS930180
MARCH 23, 1994

APPLICATION OF
ROBERT WESLEY DERVISHIAN, JR.

For a license to broker the transportation of passengers by motor vehicles

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on March 3, 1994, to receive evidence on this application of Robert Wesley Dervishian, Jr. for a license to broker the transportation of passengers by motor vehicle to all points in Virginia from points of origin located within the Commonwealth of Virginia;

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Robert Wesley Dervishian, Jr., appeared pro se. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing, and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised counsel for the Applicant that he would recommend that the Commission enter an order granting the application. Counsel then waived his right to file any comments to the Hearing Examiner's Report and the customary fifteen (15) day comment period was 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. MCS930181
MARCH 10, 1994

APPLICATION OF
AMERICAN AIR TRANSPORT, INC.,
Transferor
and
OFFICE MOVERS, INC.,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier, No. HG-373

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on March 1, 1994, to consider this application to transfer certificate of public convenience and necessity as a household goods carrier, No. HG- 373, 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. Hamill D. Jones, 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-373;

(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-373, be, and the same is hereby, granted.

CASE NO. MCS930182
MARCH 10, 1994

APPLICATION OF
SIGNATURE LIMOUSINES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Signature Limousines, 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 4, 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 23, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of January 4, 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. MCS930184
OCTOBER 28, 1994

APPLICATION OF
RESTON LIMOUSINE AND TRAVEL 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 October 20, 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 Cities of Alexandria and Falls Church, as well as the Counties of Arlington, Fairfax, Loudon, and Prince William to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. Edward J. Kiley appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. There were no protestants or intervenor(s).

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 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.

The Protestant filed comments to the Hearing Examiner's Report.

UPON CONSIDERATION of the Application, the Hearing Examiner's Report, the transcript, and the comments, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Reston Limousine and Travel 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 Cities of Alexandria and Falls Church, as well as the Counties of Arlington, Fairfax, Loudon, and Prince William to all points within the Commonwealth of Virginia.

CASE NO. MCS930185
APRIL 1, 1994

APPLICATION OF
MERCHANTS DELIVERY & STORAGE, INC.,
Transferor
and
KLOKE MOVERS, INC.,
Transferee

To transfer certificate of public convenience and necessity as a household goods carrier No. HG-282

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on March 24, 1994, to consider this application to transfer certificate of public convenience and necessity as a household goods carrier, No. HG-282, 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. Hamill D. Jones, 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-282;

(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-282, be, and the same is hereby, granted.

CASE NO. MCS930188
MARCH 23, 1994

APPLICATION OF
MID-ATLANTIC CHARTER SERVICE, INC.,
Transferor
and
SUN LINE OF VIRGINIA, INC.,
Transferee

To transfer a portion of a certificate of public convenience and necessity as a special or charter party carrier of passengers, No. B-386

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on March 10, 1994, to receive evidence on this Application for the transfer of a portion of a certificate of public convenience and necessity as a special or charter party carrier of passengers, which would authorize the holder thereof to transport passengers by special or charter party between points within the Counties of Amelia, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George as well as the Cities of Colonial Heights, Hopewell, Petersburg and Richmond to all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson. Hamill D. Jones, Jr., 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 partial transfer of Certificate No. B-386;

(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 partial transfer of certificate of public convenience and necessity as a special or charter party carrier of passengers, No. B-386, be, and the same is hereby, granted.

CASE NO. MCS940001
APRIL 4, 1994

APPLICATION OF
O'HALLORAN, 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 March 30, 1994, to receive evidence on this application for a certificate of public convenience and necessity as a common carrier of passengers, sixteen years or younger, by motor vehicle over irregular routes within the geographic area of the Counties of Western Henrico, Northern Chesterfield & Eastern Goochland as well as the western portion of the City of Richmond.

ON THE APPOINTED DAY the hearing was held before Senior Hearing Examiner Glenn P. Richardson. Kenworth E. Lion, Jr., 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 for the Protestant. There were no Interveners. At the commencement of the hearing the protest was withdrawn.

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, sixteen years or younger, by motor vehicle over irregular routes in the geographic area of the Counties of Western Henrico, Northern Chesterfield & Eastern Goochland as well as the western portion of the City of Richmond be, and the same is hereby, granted.

CASE NO. MCS940002
JUNE 8, 1994

APPLICATION OF
SUPREME LIMOUSINE SERVICE OF VA., 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 April 19, 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 Fairfax, Loudoun, Fauquier, Prince William, and Arlington, as well as the Cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. John M. Ballenger, Esquire appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. John R. Sims, Jr., Esquire appeared as counsel to the Protestants, and no intervenor(s) participated in the proceeding.

At the conclusion of the hearing, the Hearing Examiner announced that the findings on the application would be taken under advisement and submitted in the Hearing Examiner's Report. The transcript of the hearing and the Hearing Examiner's Report were filed on April 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.

The Hearing Examiner recommends that the Commission enter an order granting the application.

No comments to the Hearing Examiner's Report were filed.

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 Supreme Limousine of Virginia, Inc. is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle authorizing it to transport passengers as a special or charter party carrier by motor vehicle from points of origin located in the Counties of Fairfax, Loudoun, Fauquier, Prince William, and Arlington, as well as the Cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park to all points within the Commonwealth of Virginia.

CASE NO. MCS940004
MAY 5, 1994

APPLICATION OF
ARLINGTON LIMOUSINE SERVICE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Arlington Limousine Service ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on February 4, 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 28, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 4, 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. MCS940007
APRIL 22, 1994

APPLICATION OF
DAVID ERIC MOODY

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that David Eric Moody ("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 25, 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 April 18, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 25, 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. MCS940010
APRIL 22, 1994

APPLICATION OF
WILLIAMS BUS LINES, INC.,
Transferor
and
LAIDLAW TRANSIT (VIRGINIA) INC.,
Transferee

To transfer certificate of public convenience and necessity as a special or charter party carrier No. B-376

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on April 20, 1994, to receive evidence on this Application for the transfer of certificate of public convenience and necessity as a special or charter party carrier No. B-376.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Glenn P. Richardson. Robert A. Hirsch, 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-376;

(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, No. B-376, be, and the same is hereby, granted.

CASE NO. MCS940012
MAY 4, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CHIDIADI E. JONAH
2519 South Adams Street, No. 1
Arlington, Virginia 22206,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on April 26, 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 authority as a limousine carrier granted by order of this Commission dated October 16, 1991, 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. MCS940015
APRIL 22, 1994

APPLICATION OF
HOLLYWOOD LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Hollywood 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 25, 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 April 18, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 25, 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. MCS940016
APRIL 28, 1994

APPLICATION OF
DONNA M. BILLUPS

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Donna M. Billups ("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 25, 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 April 18, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of February 25, 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. MCS940017
MAY 3, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SMITH MOUNTAIN LAKE CRUISES, INC.
t/a BLUEWATER CRUISE COMPANY
P.O. Box 443
Covington, Virginia 24426,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on April 26, 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 sight-seeing carrier by boat, No. LM-SS-W-34, 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. MCS940021
JUNE 1, 1994

APPLICATION OF
CAPITOL DRIVERS RENTAL SERVICE, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Capitol Drivers Rental 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 March 23, 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 May 11, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of March 23, 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. MCS940023
MAY 20, 1994

APPLICATION OF
THE MCLEAN LIMOUSINE COMPANY

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that The McLean Limousine Company ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on April 1, 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 May 19, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 1, 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. MCS940025
MAY 4, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
C M C, INC.
4509 Pouncey Tract Road
Glen Allen, Virginia 23060,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on April 26, 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 authority as an executive sedan carrier granted by order of this Commission dated August 16, 1993, 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. MCS940025
MAY 11, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
C.M.C., INC.
4509 Pouncey Tract Road
Glen Allen, Virginia 23060,
Defendant

VACATING AND DISMISSAL ORDER

IT APPEARING to the State Corporation Commission that by Final Judgment Order dated May 4, 1994, the Defendant was ordered to surrender for cancellation all registration cards, identification markers, stamps, warrants, exemption cards, and decals issued by the Commission; and

IT FURTHER APPEARING that the Commission's Motor Carrier Division has filed a report requesting the Final Judgment Order be vacated as erroneous and the case established against the Defendant be dismissed; and

THE COMMISSION, upon consideration of said report, is of the opinion that the Final Judgment Order was issued erroneously and should be vacated; accordingly,

IT IS ORDERED:

(1) That the Final Judgment Order issued in this case on May 4, 1994, be, and the same is hereby, vacated; and

(2) That the Rule to Show Cause entered against the Defendant on March 23, 1994, be, and the same is hereby, dismissed.

CASE NO. MCS940032
JUNE 13, 1994

APPLICATION OF
QUALITY TOUR TRANSPORT

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 18, 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 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 Deborah V. Ellenberg. M. Brooks Savage, Jr., Esquire, appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants, or intervenor(s) 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 the 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 Quality Tour Transport 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 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. MCS940034
JUNE 7, 1994

APPLICATION OF
K AND J LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that K and J 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 April 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 June 1, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 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 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. MCS940035
MAY 20, 1994

APPLICATION OF
BARBARA P. PYLE, t/a BP TOUR & TRAVEL

For a license to broker the transportation of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on May 16, 1994, to receive evidence on this application of Barbara P. Pyle, t/a BP Tour & Travel 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 Glenn P. Richardson. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestants or interveners appeared or participated at the hearing.

After considering the evidence presented in the case, the Hearing Examiner found that:

(1) The Applicant is fit, willing, and able to provide the service requested;

(2) The Applicant can and will comply with all provisions of law and the Rules and Regulations of the Commission; and

(3) The application is proper and in the public interest.

At the conclusion of the hearing on this application, the Hearing Examiner announced the above findings and advised 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 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. MCS940037
AUGUST 10, 1994

APPLICATION OF
PERSONAL LIMOUSINE EXCURSION

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Personal Limousine Excursion ("Applicant") filed an Application with the Commission requesting a certificate as an limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on July 22, 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 August 8, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of July 22, 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. MCS940037
AUGUST 18, 1994

APPLICATION OF
PERSONAL LIMOUSINE EXCURSION

For a certificate as a limousine carrier

CORRECTING ORDER

IT APPEARING to the State Corporation Commission that the Final Order entered in the above-captioned matter on August 10, 1994, was in error as to the type of motor carrier certificate applied for by the applicant. The certification set forth in the said order was for an executive sedan carrier when the order should have reflected that of a limousine carrier. Accordingly,

IT IS ORDERED:

(1) That the Commission's Order of August 10, 1994, be and the same is hereby, amended to reflect that the motor carrier certificate applied for by the applicant is that of a limousine carrier.

CASE NO. MCS940038
JUNE 7, 1994

APPLICATION OF
SILCO, INCORPORATED

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Silco, Incorporated ("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 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 June 2, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 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. MCS940041
NOVEMBER 7, 1994

APPLICATION OF
ACCESS LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Access 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 Amending Order on August 16, 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 October 3, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 16, 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. MCS940042
MAY 26, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GOLD STAR TOURS, INC.
5604 Capelle Road
Portsmouth, Virginia 23703,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on May 24, 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 license as a broker of transportation of passengers by motor vehicle No. B-68, 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. MCS940043
JULY 18, 1994

APPLICATION OF
GROUND TRANSPORTATION SPECIALIST

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Ground Transportation Specialist ("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 2, 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 June 9, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 2, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application 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. MCS940044
JUNE 21, 1994

APPLICATION OF
PIEDMONT TRANSPORTATION, INC.

For a certificate of public convenience and necessity as a petroleum tank truck carrier

FINAL ORDER

ON ANOTHER DAY, the Commission ordered that a public hearing be held before a Hearing Examiner on June 1, 1994, to receive evidence on this application for a certificate of public convenience and necessity as a petroleum tank truck carrier which would authorize the transportation of liquefied petroleum gas (LPG) in bulk, in tank truck vehicles, for Chatham Oil Company from points of origin in Campbell County, Virginia to 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 Applicant. Graham G. Ludwig, 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 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 she would recommend that the Commission enter an order granting the application. Counsel then waived the 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 justified by the public convenience and necessity; accordingly,

IT IS ORDERED:

(1) That the findings of the Hearing Examiner's Report be, and the same are hereby, adopted; and

(2) That a certificate of public convenience and necessity as a petroleum tank truck carrier be, and the same is hereby, granted, authorizing the transportation of liquefied petroleum gas (LPG) in bulk, in tank truck vehicles for Chatham Oil Company from points of origin in Campbell County, Virginia to all points in Virginia for Chatham Oil Company.

CASE NO. MCS940046
SEPTEMBER 21, 1994

APPLICATION OF
CAPITAL LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Capital 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 4, 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 June 23, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 4, 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. MCS940047
SEPTEMBER 15, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MARVIN HOWELL, t/a HOWELL LIMOUSINE SERVICE
401 South 12th Street
Arlington, Virginia 22202,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on September 13, 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-241, 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. MCS940047
DECEMBER 13, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MARVIN HOWELL, t/a HOWELL LIMOUSINE SERVICE
401 South 12th Street
Arlington, Virginia 22202,
Defendant

JUDGMENT OF COMPROMISE AND SETTLEMENT

IT APPEARING to the State Corporation Commission that by Final Judgment Order dated September 15, 1994, the Defendant's Certificate as a limousine carrier, No. LM-241 was revoked, and all registration cards, identification markers, warrants and decals issued to the Defendant are null and void and shall be surrendered for cancellation; and

IT FURTHER APPEARING that the Commission's Motor Carrier Division has requested the Final Judgment Order be rescinded without the revocation of limousine carrier Certificate No. LM-241; and

THE COMMISSION, upon consideration of said request, is of the opinion that 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 September 15, 1994, be, and the same is hereby, satisfied; and

(2) That the Commission's Motor Carrier Division forthwith allow Marvin Howell, t/a Howell Limousine Service, to register its vehicle in Virginia so as to allow it to recommence operating in and through the Commonwealth.

CASE NO. MCS940048
JULY 18, 1994

APPLICATION OF
RONALD W. HALE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Ronald W. Hale ("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 28, 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 June 15, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 28, 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. MCS940050
JULY 5, 1994

APPLICATION OF
AARDVARK TRANSPORTATION SERVICES, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Aardvark Transportation 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 April 28, 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 June 15, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 28, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application 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. MCS940051
AUGUST 31, 1994

APPLICATION OF
ELEGANT TRANSPORT, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Elegant Transport, Inc. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Amending Order on June 22, 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 August 8, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of June 22, 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. MCS940052
AUGUST 24, 1994

APPLICATION OF
AARDVARK TRANSPORTATION SERVICES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Aardvark 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 April 28, 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 June 15, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of April 28, 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. MCS940053
MAY 27, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HARVEY M. AYTES, t/a EXECUTIVE SEDAN SERVICE
6056 Flatfoot Road
Dinwiddie, Virginia 23841,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on May 24, 1993, and the Commission having found the Defendant to be in violation of the law as alleged; accordingly,

IT IS ORDERED:

(1) That the authority issued by order of this Commission on February 23, 1993, in Case No. MCS920174 as an executive sedan carrier, to the Defendant be, and the same is hereby revoked.

CASE NO. MCS940057
AUGUST 11, 1994

APPLICATION OF
WASHINGTON-DULLES TRANSPORTATION, 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 June 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 located in the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park as well as within the Counties of Arlington, Fairfax, Loudoun and Prince William, Virginia to all points within the Commonwealth of Virginia, and return in vehicles having a seating capacity of twelve (12) or less.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Glenn P. Richardson. M. Brooks Savage appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No Protestant, and no intervenor(s) 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 transcript of the hearing and the Hearing Examiner's Report were filed on July 26, 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.

UPON CONSIDERATION of the Application, the Hearing Examiner's Report, the transcript, and the exhibits, 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 Washington-Dulles Transportation, 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 from points of origin located in the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park as well as within the Counties of Arlington, Fairfax, Loudoun and Prince William, Virginia to all points within the Commonwealth of Virginia, and return in vehicles having a seating capacity of twelve (12) or less.

CASE NO. MCS940059
JULY 5, 1994

APPLICATION OF
SABRI M. GHANNAM

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Sabri M. Ghannam ("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, 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 June 28, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 10, 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. MCS940060
JULY 7, 1994

APPLICATION OF
TAE GOOM KIM

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Tae Goom Kim ("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 11, 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 June 30, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 11, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application 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. MCS940061
JULY 18, 1994

APPLICATION OF
RAYMOND H. HARMON, t/a FREDERICKSBURG LIMOUSINE

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Raymond H. Harmon, t/a Fredericksburg 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 Initial Order on May 11, 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 June 28, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 11, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, 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. MCS940062
AUGUST 19, 1994

APPLICATION OF
ELEGANT LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Elegant 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 May 11, 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 June 30, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 11, 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. MCS940065
JULY 5, 1994

APPLICATION OF
G&G TRANSPORTATION, INC., (Formerly Mid-Atlantic Charter Service, Inc.),
Transferor
and
LINKOUS CHRISTIAN TOURS, INC.,
Transferee

To transfer certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, No. B-386

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on June 23, 1994, to receive evidence on this Application for the transfer of a portion of a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, which would authorize the holder thereof to transport passengers in special or charter parties by motor vehicles from points of origin located within the cities of Lynchburg, Roanoke, Radford, Bedford, Martinsville, and Salem, as well as the counties of Campbell, Bedford, Franklin, Henry, Roanoke, Botetourt, Craig, Montgomery, Floyd, Pulaski, and Wythe, Virginia, to all points in Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson. Hamill D. Jones, Jr., 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-386;

(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 a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle, No. B-386, be, and the same is hereby, granted.

CASE NO. MCS940067
JULY 27, 1994

APPLICATION OF
METROPOLITAN LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Metropolitan 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 May 19, 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 July 7, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 19, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application 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. MCS940068
JULY 27, 1994

APPLICATION OF
THE DREAM DATE COMPANY

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that The Dream Date Company ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on May 19, 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 July 7, 1994]; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 19, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application 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. MCS940069
DECEMBER 8, 1994

APPLICATION OF
ABSOLUTE LIMO AND TICKET SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Absolute Limo and Ticket 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 Amending Order on September 27, 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 November 14, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of September 27, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, 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. MCS940070
AUGUST 10, 1994

APPLICATION OF
APPLE VALLEY LIMO, L.C.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Apple Valley Limo, L.C. ("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 19, 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 July 7, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of May 19, 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. MCS940071
JULY 27, 1994

APPLICATION OF
WELCH SERVICES, INC., t/a WHITE'S LIMOUSINE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Welch Services, Inc., t/a White's Limousine ("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 1, 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 July 18, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of June 1, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application 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. MCS940072
AUGUST 3, 1994

APPLICATION OF
BOB HUME (INDIVIDUAL)

For a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on July 11, 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 within the City of Harrisonburg, Virginia to all points within the Commonwealth of Virginia, and return; the certificate is limited to the transportation of James Madison University students, faculty, and staff.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson. The Applicant appeared pro se. 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.

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 Bob Hume 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 within the City of Harrisonburg, Virginia to all points within the Commonwealth of Virginia, and return; the certificate is limited to the transportation of James Madison University students, faculty, and staff.

CASE NO. MCS940075
AUGUST 4, 1994

APPLICATION OF
PRISON VISITATION PROJECT, INC., t/a PRISON VISITATION PROJECT

For a license to broker the transportation of passengers by motor vehicle

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a Hearing Examiner on July 12, 1994, to receive evidence on this application of Prison Visitation Project, Inc., t/a Prison Visitation Project for a license to broker the transportation of passengers (prison inmates' families and friends) by motor vehicle to all prison location points in Virginia from all points within the City of Richmond, Virginia;

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Deborah V. Ellenberg. George A. Warthen, 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 (prisoners' families and friends) by motor vehicle to all prison location points in Virginia from all points within the City of Richmond, Virginia be, and the same is hereby, granted.

CASE NO. MCS940076
JULY 27, 1994

APPLICATION OF
LLOYD R. MEACHAM, t/a JES TRANSPORTATION

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Lloyd R. Meacham, t/a Jes 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 June 1, 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 July 20, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of June 1, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application 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. MCS940077
AUGUST 16, 1994

APPLICATION OF
BLACK TY LIMOUSINE SERVICES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Black Ty Limousine 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 June 1, 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 July 20, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of June 1, 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. MCS940080
SEPTEMBER 29, 1994

APPLICATION OF
WASHINGTON COACH COMPANY

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Washington Coach Company ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on June 8, 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 July 29, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of June 8, 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. MCS940086
DECEMBER 22, 1994

APPLICATION OF
TRI STATE CASINO TOURS, INC. OF VIRGINIA

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 November 4, 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 the following routes: between the Pentagon and National Airport via State Route 110 and U.S. Highway 1 between Gainesville and Delaplane via Interstate 66 serving exit 23 (Delaplane), exit 40 (Haymarket), exit 43 (Gainesville), exit 47 (Manassas), exit 52 (Centreville), exit 55 (Fair Lakes) and exit 62 (Vienna Metro Station) as off route points within three (3) miles of said exits.

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. David G. Brickley, Esquire, appeared as counsel for the Protestant. No 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. The Hearing Examiner's Report was filed on December 6, 1994 and no comments were filed. 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 regular routes between the Pentagon and National Airport via State Route 110 and U.S. Highway 1 between Gainesville and Delaplane via Interstate 66 serving exits 23 (Delaplane), exit 40 (Haymarket), exit 43 (Gainesville), exit 47 (Manassas), exit 52 (Centreville), exit 55 (Fair Lakes) and exit 62 (Vienna Metro Station) as off route points within three (3) miles of said exits be, and the same is hereby, granted.

CASE NO. MCS940087
DECEMBER 22, 1994

APPLICATION OF
FRANKLIN CHARTER BUS, 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 November 4, 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 the following routes: between Delaplane, Virginia and Dulles International Airport via Interstate 66 and State Route 28 serving exits 47 (Manassas), exit 43 (Gainesville), exit 40 (Haymarket), and exit 23 (Delaplane) as off route points within three (3) miles of said exits.

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. David G. Brickley, Esquire appeared as counsel for the Protestant. No 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. The Hearing Examiner's Report was filed on December 6, 1994 and no comments were filed.

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 regular routes 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 Franklin Charter Bus, Inc. 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 be, and the same is hereby, granted.

CASE NO. MCS940092
DECEMBER 5, 1994

APPLICATION OF
GULFSTREAM LIMOUSINE COMPANY

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 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 Cities of Alexandria, Charlottesville, Colonial Heights, Fairfax, Falls Church, Fredericksburg, Hopewell, Petersburg, Richmond, and Williamsburg, as well as the Counties of Albemarle, Arlington, Caroline, Charles City, Chesterfield, Fairfax, Goochland, Hanover, Henrico, James City, Louisa, New Kent, Orange, Powhatan, Prince George, Prince William, Spottsylvania, and Stafford, Virginia, to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY, the hearing was held before Senior Hearing Examiner Glen P. Richardson. Van C. Ernest appeared as counsel for the applicant. Graham G. Ludwig, Jr. appeared as counsel for the Commission. Calvin F. Major appeared as counsel for the Protestants Cavalier Transportation, Inc. and Tourtime America, Ltd. Hamill D. Jones, Jr. appeared as counsel for the Protestant Groome Transportation. No intervenors appeared or participated in the proceeding.

At the conclusion of the hearing, the 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 October 14, 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;

(3) That application is warranted by the public convenience and necessity.

The Protestants did not file comments to the Hearing Examiner's Report.

UPON CONSIDERATION of the application and the Hearing Examiner's Report, the Commission is of the opinion and 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 the Applicant is granted a certificate of public convenience and necessity as a special or charter party carrier by motor vehicle as set forth above.

CASE NO. MCS940094
OCTOBER 28, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TRUE BRIT, INC.
12118 Beaver Creek Road
Clifton, Virginia 22024,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on October 18, 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-103, 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. MCS940095
SEPTEMBER 15, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ELITE LIMOUSINE SERVICE, INC.
P.O. Box 7057
Reston, Virginia 22091
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on September 13, 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 an executive sedan carrier, No. XS-76, and as a limousine carrier, No. LM-137, be, and the same are 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. MCS940097
AUGUST 24, 1994

APPLICATION OF
EXECUTIVE LIMOUSINES, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Executive 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 June 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 August 11, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of June 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. MCS940098
DECEMBER 8, 1994

APPLICATION OF
GLOBAL INTERNATIONAL LIMOUSINE SERVICE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Global International 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 Amending Order on August 24, 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 October 12, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 24, 1994; that no request for hearing was made or comment filed;

NOW THE COMMISSION, upon consideration of the Application, 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. MCS940099
SEPTEMBER 21, 1994

APPLICATION OF
RANDY EUGENE WOODWARD

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Randy Eugene Woodward ("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 June 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 August 11, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of June 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. MCS940101
SEPTEMBER 15, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNIVERSITY LIMOUSINE, INC.
204 Ridge Street
Charlottesville, Virginia 22902,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on September 13, 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-228, 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. MCS940102
OCTOBER 12, 1994

APPLICATION OF
GOURCHAL, FOUAD EL

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Fouad El Gourchal, 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 August 18, 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 October 4, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 18, 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. MCS940103
OCTOBER 12, 1994

APPLICATION OF
PROFESSIONAL LIMO SERVICE INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Professional Limo 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 August 18, 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 October 4, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 18, 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. MCS940105
OCTOBER 26, 1994

APPLICATION OF
PAUL A. BULIFANT

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Paul A. Bulifant ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on August 18, 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 October 4, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 18, 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. MCS940107
OCTOBER 28, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BRISTOL-JENKINS BUS LINES, INC.
P.O. Box 847
Bristol, Virginia 24203,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on October 18, 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 certificates as a common carrier of passengers, Nos. P-2439 and B-346, be, and the same are 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. MCS940113
OCTOBER 26, 1994

APPLICATION OF
HOAR-HAKENSON LEASING COMPANY, t/a DIAMOND EXECUTIVE TRANSPORTATION

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Hoar-Hakenson Leasing Company, t/a Diamond Executive Transportation ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on August 18, 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 October 7, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 18, 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. MCS940115
OCTOBER 26, 1994

APPLICATION OF
AMERICAN EAGLE LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that American Eagle 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 August 18, 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 October 7, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 18, 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. MCS940116
OCTOBER 26, 1994

APPLICATION OF
SAUL JUDAH

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Saul Judah ("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 August 18, 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 October 7, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 18, 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. MCS940117
OCTOBER 26, 1994

APPLICATION OF
FLORENCIO A. REATE

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Florencio A. Reate ("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 August 18, 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 October 7, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 18, 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 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. MCS940118
OCTOBER 27, 1994

APPLICATION OF
ROBERT T. CARTER

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Robert T. Carter ("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 August 18, 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 October 7, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 18, 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. MCS940119
OCTOBER 26, 1994

APPLICATION OF
JAMES H. GILES, JR.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that James H. Giles, Jr. ("Applicant") filed an Application with the Commission requesting a certificate as an executive sedan carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on August 16, 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 October 4, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 16, 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. MCS940120
OCTOBER 26, 1994

APPLICATION OF
EXECUTIVE SEDAN MANAGEMENT SERVICES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Executive Sedan Management 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 August 18, 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 October 4, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 18, 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. MCS940121
NOVEMBER 7, 1994

APPLICATION OF
LAROCHE ENTERPRISES, 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 October 3, 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 Exhibit A attached hereto.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Mark B. Michelsen, Esquire, 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 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. MCS940123
NOVEMBER 28, 1994

APPLICATION OF
FAIRFAX COACH LINES, 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 November 1, 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 Cities of Alexandria, Falls Church, and Fairfax, Virginia, as well as the Counties of Arlington, Fairfax, Prince William, and Loudoun, Virginia to all points within the Commonwealth of Virginia.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard Anderson. Calvin F. Major appeared as counsel for the Applicant. Graham G. Ludwig, Jr., Esquire appeared as counsel to the Commission. No protestant and no intervenor 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, the Hearing Examiner's Report, and the comments, the Commission is of the opinion and finds that the application is justified by the public convenience and necessity and should be granted; accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings be, and the same are hereby, adopted in their entirety; and

(2) That Fairfax Coach Lines, 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 Cities of Alexandria, Falls Church, and Fairfax, Virginia, as well as the Counties of Arlington, Fairfax, Prince William, and Loudoun, Virginia to all points within the Commonwealth of Virginia.

CASE NO. MCS940128
OCTOBER 31, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CHENDA SOK
13304 Hollinger Avenue
Fairfax, Virginia 22033,
Defendant

FINAL JUDGMENT ORDER

The Rule to Show Cause issued against the Defendant, having come on for hearing on October 18, 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 an executive sedan carrier, No. XS-11, 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. MCS940130
DECEMBER 1, 1994

APPLICATION OF
O'HALLORAN, INC.

To expand its service territory as a common carrier of passengers by motor vehicle over irregular routes under Certificate No. P-2601

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a public hearing be held before a hearing examiner on November 7, 1994, to receive evidence on this application to expand its service territory as a common carrier of passengers by motor vehicle over irregular routes under Certificate No. P-2601 within the geographic area of the counties indicated on Applicant's Exhibit A, attached hereto.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson. Kenworth E. Lion, 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 Certificate No. P-2601 be expanded to include the geographic area shown on Exhibit A attached hereto.

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. MCS940131
DECEMBER 1, 1994

APPLICATION OF
MORRIS MOSES, JR.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Morris Moses, Jr. ("Applicant") filed an Application with the Commission requesting a certificate as a limousine carrier pursuant to Title 56 Chapter 12.8 of the Code of Virginia (1950); that the Commission entered an Initial Order on August 31, 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 October 19, 1994; that the Applicant has complied with all requirements of public notice as set forth in the Commission's Order of August 31, 1994; that no request for hearing was made but a comment was made objecting to the fitness of the Applicant;

NOW THE COMMISSION, upon consideration of the Application, the exhibits thereto, the report of the Staff, and the comment filed, 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. MCS940134
DECEMBER 21, 1994

APPLICATION OF
CLASSIC COACHES LIMOUSINE SERVICES, INC.

For a certificate as an executive sedan carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Classic Coaches Limousine 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 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. MCS940152
DECEMBER 30, 1994

APPLICATION OF
CAPITAL CITY LIMOUSINE, INC.

For a certificate as a limousine carrier

FINAL ORDER

IT APPEARING to the State Corporation Commission ("Commission") that Capital City 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 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. MCS940183
DECEMBER 27, 1994

APPLICATION OF
V.I.P. & CELEBRITY LIMOUSINES, INC.

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 December 22, 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 the routes shown on Exhibit A attached hereto.

ON THE APPOINTED DAY the hearing was held before Hearing Examiner Howard P. Anderson, Jr. Hamill D. Jones, 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 routes shown on Exhibit A attached hereto be, and the same is hereby, granted.

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

DIVISION OF PUBLIC SERVICE TAXATION

CASE NO. PST910005
JULY 5, 1994

APPLICATION OF
THE COUNTY OF LOUISA

For review and correction of assessments of heat, water, light and power corporations; gas and pipeline distribution corporations; and telecommunications companies - tax year 1991; and for declaratory judgment

FINAL ORDER

Pursuant to order of January 27, 1994, the Commission heard oral argument in this case on March 8, 1994.

The Commission has considered the motions and briefs filed in this matter, the Stipulation of Facts entered into by the parties, and the oral argument, and finds that the matter is now mature for decision.

On November 21, 1991, the County of Louisa ("Louisa") filed an application for review and correction of assessments for taxation of the value of public service company property in that county for tax year 1991. Louisa contends that the local assessment ratio determined for that year by the Department of Taxation, as required by Virginia Code § 58.1-2604(A), is incorrect,[1] and that the Commission's use of that ratio in making its assessments of the value of such property was accordingly improper. It asks that we direct the Tax Department to publish a revised, corrected ratio. In the alternative, Louisa seeks a declaration that the above Code section is unconstitutional to the extent that use of a ratio other than 1:1 is allowed under that section.

The method of assessment of public service company property in Virginia is described in detail by the record in this case, but can be quickly summarized. Pursuant to the Constitution of Virginia, Article X, § 2, and Virginia Code § 58.1-2600, this Commission assesses, with certain exceptions not relevant here, all real and tangible personal property of public service companies throughout the Commonwealth. In this case, the Commission assessed tangible personal property (the only category challenged by Louisa) by multiplying the values determined under the "cost-less-depreciation" method by the above ratio (89.5%) supplied to the Commission by the Tax Commissioner. The resulting values were lower than Louisa believes proper.

The first issue for determination is whether we can examine the ratio published by the Tax Commissioner and, upon a proper showing, declare it incorrect and direct that official to modify it. Our answer to these questions is no. Our clear responsibility under Virginia Code § 58.1-2604(A) is to "apply" the ratio we receive from the Tax Commissioner. By contrast, it is the duty of the Tax Commissioner to establish that ratio. These functions are exercised independently, and, under the statute, neither agency is answerable to the other in respect thereto.

It is true, as Louisa contends, that the Commission has an obligation under Virginia Code § 58.1-2670 to review our assessments, upon petition. Louisa argues that this statute provides us with authority to review every element which went into the assessment, including the accuracy of the Tax Commissioner's ratios. Virginia Code § 58.1-2604(A) directs us to use such ratios, however. We have no discretion in that matter, Virginia Code § 58.1-2670 notwithstanding.

Next, Louisa questions the constitutionality of Virginia Code § 58.1-2604(A).[2] The operative provisions of the Virginia Constitution are Sections 1 and 2 of Article X, which provide, as pertinent:

> § 1. . . . All taxes shall be levied and collected under general laws and shall be uniform upon the same class of subjects within the territorial limits of the authority levying the tax. . . .
>
> § 2. . . . All assessments of real estate and tangible personal property shall be at their fair market value, to be ascertained as prescribed by law.

(Emphasis supplied)

The Virginia Supreme Court's efforts to reconcile these provisions with the manner in which the assessment and taxation of property in Virginia has actually been accomplished over the decades has produced an extensive body of case law. A brief summary of this situation is found in R.F.& P. R.R. v. State Corp. Comm., 219 Va. 301, 306-307 (1978):

> Prior to 1966, the assessed values of public service property were usually determined by applying a uniform 40 percent assessment ratio. This was in recognition of the fact that the mandate of the Constitution of Virginia, now Article X, § 2, requiring real property to be assessed at fair market value, had been "so honored in the breach

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[1] Louisa's ratio was 89.5%.

[2] One of the parties hereto, Virginia Power, contends that the county has no standing to raise such an issue. While there may be doubt as to Louisa's standing under the reasoning of Commonwealth v. Hines, 221 Va. 626 (1980) and R.F.&P. R.R. v. City of Richmond, 145 Va. 225 (1926), we will not base our decision in this case on that theory.

> that no assessors [felt] called upon to apply it in practice." [Citations omitted.] But the Constitution, now Article X, § 1, also provides that all taxes shall be uniform upon the same class of subjects within the territorial limits of the authority levying the tax. So the courts, "recognizing the general custom of undervaluing property and the difficulty of enforcing the standard of true value, . . . sought to enforce equality in the burden of taxation by insisting upon uniformity in the mode of assessment and in the rate of taxation." [Citation omitted.] Thus, this court had said that the Commission's practice of assessing public service company property at 40 percent of its fair market value was not an abuse of discretion. [Citation omitted.]
>
> After 1966, the Commission's Division of Public Service Taxation was required under the Bemiss Bill to apply to appraised values, not the uniform 40 percent rate, but "the local assessment ratio prevailing in such taxing district for other real estate as determined by the most recently published findings of the [State] Department of Taxation;. . . ."

Even Louisa admits there was once good reason for the use of such ratios. Louisa points to Lehigh v. Commonwealth, 146 Va. 146 (1926), where the court ordered a taxpayer's assessment reduced on evidence that "material, systematic and intentional discrimination" had been practiced against that company, with the result that only its property was assessed at full fair market value ("FMV"), while others of like kind were assessed at half such value.

From this ruling, Louisa argues that it is only where such degree of discrimination is shown to exist, not the case here, according to Louisa, that the application of a percentage factor to FMV assessments can be constitutionally justified. Further, Louisa contends that any such disregard of the Constitution's FMV requirement has been forbidden since 1975, when Virginia Code § 58.1-3201 was amended to require that all assessments "shall be made at 100 percent fair market value...."

Thus, Louisa argues there is no constitutional support for the requirement of Virginia Code § 58.1-2604(A) that the Commission's assessments of public service property be reduced by a percentage factor from the Tax Department.

We do not construe the law in such a fashion, however. First, if the strict discrimination standard of Lehigh was once the rule, it did not remain so long. More typical are later pronouncements such as that found in Washington Bank v. Washington Co., 176 Va. 216 (1940), where the court stated that relief was available to any taxpayer who could show:

> that the assessment is out of line generally with other...properties, which in character and use bear some relation to that of a petitioner.

Washington Bank v. Washington Co., supra, 218.

Second, a long line of cases that pre-date the 1971 Constitution had sustained the practice of this Commission of applying a fraction, generally 40%, to its FMV assessments of public service company property. See, for example, Southern Railway Co. v. Commonwealth, 211 Va. 210 (1970).

The 1971 Constitution retained the same language from the previous Constitution; the adoption of the new Constitution did not effect any change in the principles which had been formulated in earlier decisions of the court. Louisa does not disagree with this point (Transcript, pp. 11-12). Louisa does argue, though, that the 1975 amendment to Virginia Code § 58.1-3201, mandating assessments at "100 percent fair market value," later altered this situation. However, the enactment of this statute could not change the interpretation to be given to a Constitution which became effective four years earlier. The 1975 statute also contains a specific exception to the FMV standard for the practice mandated by Virginia Code § 58.1-2604, the very provision challenged here. The statute itself thus recognizes the interpretation previously given to the Constitution, that is, that 100% FMV is not the invariable rule.

In City of Richmond v. Commonwealth, 188 Va. 600 (1948), Richmond claimed that the Commission's assessment of electric utility property at 40% of FMV was improper, since the city's own assessments were made at full FMV.

The court upheld the Commission's assessment practice:

> We cannot say that the action of the Commission, in making the assessment complained of at forty per cent of the fair market value of appellee's properties, constitutes an abuse of the authority and discretion confided to it by the Constitution and statutes of the State.

Richmond v. Commonwealth, supra, 628.

The Richmond case is closely analogous to this one. Indeed, the only real difference is that the ratioing factor there was developed by the Commission, as an exercise of its administrative discretion, while the factor here was developed by the Tax Commissioner, pursuant to legislative mandate, Virginia Code § 58.1-2604. If the Commission had the discretion in Richmond to apply such a factor because it would be "inequitable and unjust to assess the properties of . . . public service corporations" at full value, while local assessors used only a fraction of such value, Richmond, supra, at 627, is the legislature forbidden to fashion a similar procedure? We do not believe so.[3] The constitutional principles applied by the Virginia Supreme Court in 1948 at the time of the Richmond case remain applicable today, and we are bound by these precedents to find no constitutional defect in the statutory procedure challenged here.

In conclusion, we therefore find that the Commission has no jurisdiction to examine the accuracy of the local assessment ratio applicable to this case developed by the Tax Commissioner, nor any authority to require any changes to be made in that ratio. We also find that the assessment procedure required by Virginia Code § 58.1-2504(A) is not unconstitutional as applied to the facts of this case.

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[3]The statute, of course, refined the process when it required that a separate ratio be calculated for each taxing jurisdiction, in lieu of the Commission's use of a state-wide average, but this fact does not invalidate the fundamental principle involved; rather, it should result in more fairness to both the locality and the taxpayer.

Since we have resolved these issues adversely to Louisa, there is no basis on which this case may proceed further.

Accordingly, for the reasons set forth above, the application of the County of Louisa for review and correction of tax assessments for the tax year 1991 is hereby DISMISSED.

DIVISION OF PUBLIC UTILITY ACCOUNTING

CASE NO. PUA900013
DECEMBER 14, 1994

APPLICATION OF
TOLL ROAD CORPORATION OF VIRGINIA

For a certificate of authority and approval of rates of return, toll rates and ratemaking methodology pursuant to the Virginia Highway Corporation Act of 1988

FOURTH ORDER AMENDING CERTIFICATE

The Dulles Greenway (formerly the Dulles Toll Road Extension) is under construction pursuant to a certificate of authority granted by the Commission. On December 27, 1993 Toll Road Investors Partnership II, L.P. (TRIP II) filed an application seeking an order approving its financing plan and setting the term of its certificate of authority in accordance with § 56-551 of the Code of Virginia. We accept the application as the report required by § 56-551 and paragraph (6) of the Commission's Opinion and Final Order of July 6, 1990. In addition, TRIP II filed insurance policies, proofs of coverage and related materials on November 29, 1993, December 21, 1993 and November 9, 1994, as required by § 56-545 of the Code and paragraph (10) of the Opinion and Final Order.

The proposed financing plan does not raise issues different from those already resolved in this case. It is substantially the same in concept as the plans we have previously approved. Our further approval is unnecessary.

Likewise, after some revision, the insurance policies and proof of coverage are acceptable as revised. TRIP II has thus complied with paragraph (10) of the July 1990 Opinion and Final Order.

Section 56-551 requires us to enter an order terminating the certificate of authority "ten years from the end of the term of the original permanent financing." It appears from the application that the original permanent financing of the Dulles Greenway extends until April 2, 2026. Accordingly, by this order, we amend the certificate of authority to terminate on April 2, 2036, unless extended by the Commission.

Finally, § 56-542 of the Code permits the Commission to impose an annual fee on the certificate holder "to cover the costs of supervision and controlling the operator in the performance of its duties . . . ." Staff will be required to review the reports and monitor the activities of TRIP II. The Staff costs for such activities are estimated to be approximately $6,000 per year, and we will set the fee at that level. Upon the filing of any future applications, an application fee as permitted by § 56-540 may be imposed in addition to the annual fee.

IT IS ORDERED:

(1) That the certificate of authority granted in this case shall terminate on April 2, 2036 unless extended by the Commission;

(2) That for each calendar year beginning with 1995, TRIP II shall pay an annual fee of $6,000, such fee to be due and payable on or before February 1, of each year;

(3) That the provisions of the Opinion and Final Order of July 6, 1990, as amended by the Commission's order of January 28, 1991, the Order Amending Certificate of June 28, 1991, the Second Order Amending Certificate of July 21, 1992, the Third Order Amending Certificate of August 19, 1993, and the Commission's Order of November 29, 1993, except as modified herein, shall remain in full force and effect;

(4) That the Opinion and Final Order of July 6, 1990, the Order of January 28, 1991, the Order Amending Certificate of June 28, 1991, the Second Order Amending Certificate of July 21, 1992, the Third Order Amending Certificate of August 19, 1993, the Commission's Order of November 29, 1993 and this Fourth Order Amending Certificate shall hereafter constitute the certificate required by the Virginia Highway Corporation Act, authorizing construction and operation of the Dulles Greenway Project;

(5) That all reports and other information required to be filed under any provision of the certificate shall be submitted to the Commission's Divisions of Economics and Finance and Public Utility Accounting and need not be filed with the Clerk of the Commission unless otherwise required by the Commission; and

(6) That, there being nothing further to come before the Commission, Case No. PUA900013 shall be closed and the papers therein shall be place in the Commission's files for ended causes.

Chairman Moore took no part in this matter.

CASE NO. PUA910025
APRIL 19, 1994

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to enter into a new directory agreement with an affiliate

ORDER EXTENDING AUTHORITY

By Commission Order dated December 31, 1991, in the above-referenced case, GTE South Incorporated ("GTE South," "Company," "Applicant") was granted authority to enter into a new Master Directory Publishing Agreement (the "Agreement") with its affiliate, GTE Directories Service Corporation ("GTE Directories," "Affiliate"). Such authority was effective as of January 1, 1991, through December 31, 1995.

In the Commission's December 31, 1991 Order it was stated that should GTE South desire to continue the authorized arrangement beyond December 31, 1995, subsequent Commission approval would be required. The Order also required that a report providing certain revenue and expense information regarding the arrangement for the preceding calendar year be filed by February 26, 1993, and annually thereafter. By Order dated February 19, 1993, Company was granted an extension of time for filing such reports until May 15 of each year. Company has filed its Report for 1993 providing the required information.

On April 2, 1993, GTE South filed an application to extend the term of the Agreement. In its application, Company requested an amendment to change the Duration of Agreement from "December 31, 1995" to "December 31, 2001." Company also requested to change Revenue Sharing to allow Company and GTE Directories to change the percentage after the initial term or renewal term based on changed economic or market factors upon mutual agreement of GTE South and Affiliate.

THE COMMISSION, upon consideration of the application, Applicant's request for an amendment to the Commission's December 31, 1991 Order, representations of Applicant and having been advised by its Staff, is of the opinion that modification of Article III of the Master Directory Publishing Agreement to extend the duration of the Agreement through December 31, 2001, would not be detrimental to the public interest and should be approved. The Commission is of the further opinion, however, that approval of the modification of Article XVI to allow renegotiation of the percentage of revenue sharing without first obtaining Commission approval would not be in the public interest and should be denied. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to amend Article III. Duration of Agreement of the Master Directory Publishing Agreement as described herein;

2) That Article XVI. Revenue Sharing of the Master Directory Publishing Agreement shall remain in effect as stated in the original agreement made effective January 1, 1991;

3) That the authority granted herein shall extend through December 31, 2001;

4) That should Applicant desire to continue the above-described arrangement beyond December 31, 2001, Commission approval shall be required to continue the arrangement;

5) That should any of the terms and conditions of the Agreement change from those described herein, 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 right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission;

8) That the approval granted herein shall have no ratemaking implications;

9) That Company shall file a report with the Director of Public Utility Accounting of the Commission beginning May 15, 1994, for 1993 data, and annually thereafter, showing total directory revenues generated, broken down into franchise and non-franchise revenues; total directory revenues received by GTE South and GTE Directories; GTE Directories' revenues broken down into franchise revenues, non-franchise revenues, and incentive paid; total expenses incurred; and total expenses incurred by Company and Affiliate, expenses to be broken down by major expense categories; and

10) That there appearing nothing further to be done in this matter, the same be, and it hereby is dismissed.

CASE NO. PUA930011
JANUARY 25, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to receive cash advances from an affiliate

ORDER AMENDING AUTHORITY

By order dated June 23, 1993, Appalachian Power Company ("Apco" or "Applicant") was authorized to receive cash capital contributions from its parent, American Electric Power Company ("AEP"), for up to $25,000,000 subsequent to March 31, 1993 and prior to January 1, 1995. On December 10, 1993, Apco received $15,000,000 as cash contribution from AEP. On December 14, 1993, Apco filed a letter with the Commission requesting that the amount be increased by $50,000,00 to $75,000,000 and that the authority be extended through December 31, 1995.

THE COMMISSION, upon consideration of Applicant's request and having been advised by its Staff, is of the opinion and finds that amending the order granting authority to receive cash contributions from AEP will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to receive cash capital contributions from AEP up to $75,000,000, from time to time, through December 31, 1995, to finance its construction program, to repay short-term debt, and for other corporate purposes;

2) That Applicant shall submit a preliminary report of action within ten days of receipt of each cash capital contribution, to include the date and amount of the contribution;

3) That Applicant shall file a final report of action on or before March 1, 1996, to include the date(s) and amount(s) of capital contributions made pursuant to this order, the use of the proceeds and a balance sheet reflecting the actions taken;

4) That approval of the application does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia;

5) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia;

6) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA930018
JUNE 6, 1994

APPLICATION OF
UNITED CITIES GAS COMPANY

For approval of lease agreement and operating agreement

ORDER GRANTING APPROVAL

United Cities Gas Company ("United Cities," "Company", "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to enter into an Aircraft Equipment Lease (the "Lease") and for approval, retroactively to May 11, 1993, of an interim Aircraft Equipment Operating Agreement (the "Operating Agreement") with its affiliate, UCG Energy Corporation ("Energy," "Affiliate"). The Operating Agreement was entered into pending Commission approval of the Lease. Energy is a wholly-owned subsidiary of United Cities and engages in activities complementing the natural gas business through its rental and utility services division.

United Cities' corporate headquarters and central management of Company's natural gas operations are located in Brentwood, Tennessee, just outside of Nashville. In order to attend corporate and regulatory meetings in the eight (8) states which it serves, as well as to maintain effective oversight and control of its operations, the officers and employees from the corporate headquarters often travel to the service areas within which Company serves. To accommodate these travel requirements, which are often to locations not easily reached by commercial airlines, and to assure that these arrangements are effective and efficient, United Cities has acquired a 1978 King Air 200 aircraft and associated equipment. The acquisition will replace Company's existing aircraft that was acquired in its merger with Union Gas Company in Kansas in 1989. Company states that, in order to acquire the 1978 King Air 200 in the most economically efficient manner and to avoid a direct encumbrance on the capital structure of United Cities, Energy, as lessee, entered into an Aircraft Lease Agreement with First American National Bank as lessor. The Aircraft Lease Agreement provides for a term of seven (7) years with a monthly rental rate of $10,289.14 (plus applicable sales/use tax). At the end of the term of the Aircraft Lease Agreement, Energy will purchase the aircraft for an additional payment of $116,058.

Simultaneously with the commencement of the Aircraft Lease Agreement, Affiliate entered into the Operating Agreement with United Cities in which Company agreed to take possession of the 1978 King Air 200 and operate and maintain the aircraft during the seven-year term of the Operating Agreement. United Cities agreed to pay Affiliate the exact amount that Energy was obligated to pay First American National Bank under the Aircraft Lease Agreement. In essence, United Cities assumed the rights and obligations of the Aircraft Lease Agreement.

Company states that the Operating Agreement was executed prior to Commission approval in order to respond quickly to the availability and financing of the 1978 King Air 200. Energy and United Cities were required to negotiate and finalize the transaction in a minimum of time, and Company states that it was

not possible to obtain Commission approval of the Operating Agreement in advance. Energy and Company entered into the Operating Agreement to effect an arrangement between them while Commission approval was pending for a more comprehensive agreement.

The more comprehensive agreement, the Lease, will replace the Operating Agreement and provides for a more detailed arrangement between Affiliate and Company for a term of seven (7) years. United Cities states that it intends to continue to track carefully the use and purpose for which Company employees and officers utilize the aircraft. Company will directly assign and allocate to Virginia only its appropriate share of the cost of the aircraft.

United Cities states that several of its service areas are located in areas that can be reached only with substantial time delays and routing problems if using commercial airlines. Small rural towns such as Keokuk, IA or Salem, IL present travel problems due to the lack of proximity of large airports to these towns. Company based its decision to invest in an airplane on several factors: travel time involved, number of company people traveling, availability of commercial air travel, and flexibility associated with arranging Company's own schedule. Commercial air travel will be used in addition to the company plane.

United Cities states that the financing alternative of a lease/purchase was designed specifically for the acquisition of this airplane. The King Air 200 was leased/purchased from First American National Bank by Energy with the third party lease payment being directly passed along to Company. The purchase price of the airplane was $773,720. The lease is based on eighty four monthly payments with a purchase option and an interest rate of 6.4%. At the time of purchase, the appraised value of the King Air 200 was estimated to be $875,000.

Company represents that travel to Virginia towns will be charged at 100% of expenses, and corporate travel will be charged to Virginia based on the average number of customers. Any flights flown for Energy purposes will be charged to Energy. The lease payments and operating expenses charged to United Cities will be debited to an Administrative and General expense account, 921302-Vehicle Expense. Company states that for ratemaking purposes, the appropriate cost level will be determined from time to time in applicable rate proceedings.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that the Lease and the Operating Agreement would be in the public interest and should be approved. The Commission is of the further opinion that in order to effectively monitor the Lease as it pertains to the public interest, the approval should be for a two-year period only and that detailed reporting be required to be filed by Company concerning Company use of the aircraft and costs assigned and allocated for such use. Due to the difficulty in obtaining historical data to compare the cost of traveling via commercial/charter aircraft with the cost of using Company plane, the Commission is also of the opinion that it would be in the public interest to approve the Operating Agreement on a prospective basis only. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, Applicant is hereby granted approval of the Operating Agreement with Energy, such approval effective from the date of this Order, not retroactively to May 11, 1993, as requested by Applicant;

2) That, pursuant to § 56-77 of the Code of Virginia, Applicant is hereby granted approval, for a period of two (2) years from the date of this Order, of the Lease with Energy that will replace the Operating Agreement;

3) That should any terms and conditions of the Lease change from those described herein, Commission approval shall be required for such changes;

4) That Commission approval shall be required for Applicant to continue operating under the Lease beyond the two-year period approved herein;

5) That the approval granted herein shall in no way be deemed to include approval of recovery of any charges or costs 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;

8) That Applicant shall file a Report of Action on or before May 1, 1995, and May 1, 1996, for the preceding calendar year, and shall file a report with each rate case filing, containing the following information for all costs allocated or charged to Virginia in accordance with the Lease, such information provided on a per trip or charge basis: a description of the purpose of each trip; names and titles of individuals traveling; specific reasons for each individual traveling; the total cost, by individual, allocated or charged to Virginia; the comparable commercial coach fare, or charter fare, if commercial flights were not available, for each trip, airlines surveyed, and date of survey; and the amounts and accounts charged, by month; and

9) That this matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUA930019
MAY 12, 1994

APPLICATION OF
C&P SUFFOLK WATER COMPANY

For authority to acquire Holland Road Water Company and Delaney Drive Water Company

ORDER GRANTING AUTHORITY

C&P Suffolk Water Company ("C&P Suffolk," "Company," "Applicant") has filed an application with the Commission under the Utility Transfers Act for authority to acquire Holland Road Water Company ("Holland Road") and Delaney Drive Water Company ("Delaney Drive") (collectively referred to as the "Water Systems").

In its application, C&P Suffolk requests authority to acquire the entire working water systems of Holland Road and Delaney Drive. The purchase price for Holland Road is $30,000, and the price for Delaney Drive is $70,000, for a total purchase price of $100,000. Company states that Holland Road will be purchased with a $6,000 down payment, and the remaining $24,000 will be financed by the current owners by a deferred purchase money deed of trust. The $24,000 will be amortized over five (5) years at ten per cent (10%) interest payable in monthly installments. Delaney Drive will be purchased with a $14,000 down payment and the $56,000 remainder financed by the seller by a deferred purchase money deed of trust. The deferred purchase price will be amortized over five (5) years at ten per cent (10%) interest payable in monthly installments.

Company represents that the purchase price was a negotiated price based on a determination of the cost involved in bringing the Water Systems into compliance with current water quality standards and upgrading the systems. C&P Suffolk states that the costs of such upgrades are approximately $119,000. Company further states that the current owners are not in a position to upgrade the Water Systems and are willing to sell the Water Systems for the above-referenced prices.

C&P Suffolk is owned by Ted W. Christian and David D. Pugh (collectively referred to as the "Principals"), principals of Christian and Pugh, Inc., a Virginia corporation, the primary business of which is the installation and repair of wells. Company states that the Principals have the necessary expertise to operate and manage the Water Systems.

In its application, Company states that the Water Systems are in need of upgrading to bring them into compliance with current water quality standards. The current owners are not in a position to maintain the Water Systems and upgrade them as needed. C&P Suffolk, however, with the expertise of the Principals, has both the knowledge and the experience to accomplish such upgrades. Company states that, since it is in a position to upgrade and maintain the Water Systems, it will be able to provide adequate service to the public at just and reasonable rates. The three Water Systems will be operated as C&P Suffolk. Company also states that it is not expected that customer rates will be affected by the acquisition and that rates should remain as they are for the foreseeable future.

According to information provided by Company at Staff's request, Christian and Pugh, Inc. was incorporated in 1986 as a water well drilling and pump service business. Over the years, Christian and Pugh, Inc. was contracted by local water purveyors to repair and maintain their water systems. As the business evolved, the Principals personally developed an interest in owning and operating water companies. In 1993, the Principals incorporated C&P Suffolk and personally bought the Lake Forest, and Lake Meade, and Truckstop (S. L. Hines) water systems.

As is true with many small water systems, C&P Suffolk does not have the resources to repair and maintain the Water Systems. Therefore, Christian and Pugh, Inc. will be on call for C&P Suffolk. Work orders will be completed and billed to Company as any other work order. It is expected that C&P Suffolk will generate sufficient cash flow to operate, to make upgrades, and to maintain properly the Water Systems.

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 acquisitions by C&P Suffolk Water Company 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 C&P Suffolk Water Company is hereby authorized, pursuant to § 56-89 of the Code of Virginia, to acquire Holland Road and Delaney Drive 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, within thirty (30) days of the date of this Order, Company shall file an application with the Commission for approval of the acquisition of the Lake Forest, Lake Meade, and Truckstop (S. L. Hines) water systems;

4) That, on or before July 29, 1994, Company shall file a Report of Action pursuant to the authority granted herein, such Report to include the purchase price, date of acquisition, and the accounting entries reflecting the transfer; and

5) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUA930021
DECEMBER 29, 1994

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of an affiliate agreement

ORDER

On December 21, 1994, United Telephone-Southeast, Inc. ("United" or "Company") moved the Commission to enter an order permitting the Company to continue to provide telemarketing services to its affiliate, Central Telephone Company of Virginia ("Centel"), as previously authorized by order dated December 10, 1993 ("1993 Order"). The 1993 Order authorized United to provide service for a one year period.

In support of its motion, United noted that its separate application, docketed as Case No. PUA940023, in which it seeks to expand the authority granted by the 1993 Order in order to provide additional telemarketing services, is pending before the Commission. United seeks a continuation of the authority granted it by the 1993 Order until the Commission issues a final order in Case No. PUA940023.

NOW THE COMMISSION, having considered the motion, is of the opinion that it should be granted. Accordingly, IT IS ORDERED that United is granted continuing authority to provide telemarketing services to its affiliate, Centel, under the same terms and conditions as previously approved by Order dated December 10, 1993, for a period of one year, or until modified by order of the Commission in Case No. PUA940023.

CASE NO. PUA930024
MAY 12, 1994

APPLICATION OF
C&P SUFFOLK WATER COMPANY

For authority to acquire water systems

ORDER GRANTING AUTHORITY

C&P Suffolk Water Company ("C&P Suffolk," "Company," "Applicant") has filed an application with the Commission under the Utility Transfers Act to acquire certain water systems. C&P Suffolk in Smithfield, Virginia, requests Commission approval to purchase certain water supply facilities from Colonial Waterworks, Inc. ("Colonial"). The water facilities which Company requests approval to purchase are those serving the subdivisions known as Maple Hill, Bennett's Harbor, and Beck's (collectively referred to as the "Water Systems"). All three Water Systems are currently owned by Colonial. The Maple Hill system has approximately seventy five (75) customers, the Bennett's Harbor system has approximately one hundred twenty five (125) customers, and the Beck's system has around sixty two (62) customers.

C&P Suffolk requests authority to acquire the entire working water systems to include the property upon which the wells are located, all necessary equipment and hardware associated with the wells and the distribution of water, the customer list, certificates, and franchises. The three Water Systems have been operated by the current owner since approximately July 1, 1991. All three Water Systems have been in operation for a substantial length of time prior to the current owner taking ownership.

The proposed purchase price for the Water Systems is $36,577.58. The current net book value of the Water Systems is $66,201.00. At the time the current owner acquired the three Water Systems in 1991, $42,000.00 of the purchase price was financed for a period of ten (10) years at ten per cent (10%) interest, payable in monthly installments of $555.03. The purchase price is the current balance due from Colonial under the note. The holder of the note has agreed to allow Company to assume the note.

C&P Suffolk is owned by Ted W. Christian and David D. Pugh (collectively referred to as "Principals"), principals of Christian and Pugh, Inc., a Virginia corporation, the primary business of which is the installation and repair of wells. Company states that the Principals have the necessary expertise to operate and manage the Water Systems.

In its application, Company states that the Water Systems are in need of upgrading to bring the Water Systems into compliance with current water quality standards. The current owner is not in a position to maintain the Water Systems and upgrade them as needed. C&P Suffolk, however, with the expertise of the Principals, has both the knowledge and the experience to accomplish such upgrades. Company states that since it is in a position to upgrade and maintain the Water Systems, it will be able to provide adequate service to the public at just and reasonable rates. The three Water Systems will be operated as C&P Suffolk. Company also states that it is not expected that customer rates will be affected by the acquisition and that rates should remain as they are for the foreseeable future.

According to information provided by Company at Staff's request, Christian and Pugh, Inc. was incorporated in 1986 as a water well drilling and pump service business. Over the years, Christian and Pugh, Inc. was contracted by local water purveyors to repair and maintain their water systems. As the business evolved, the Principals personally developed an interest in owning and operating water companies. In 1993, the Principals incorporated C&P Suffolk and personally bought the Lake Forest, Lake Meade and Truckstop (S. L. Hines) water systems. Company has been advised that Commission approval of the Lake Forest, Lake Meade, and Truckstop (S. L. Hines) is required.

As is true with many small water systems, C&P Suffolk does not have the resources to repair and maintain the Water Systems. Therefore, Christian and Pugh, Inc. will be on call for C&P Suffolk. Work orders will be completed and billed to Company as any other work order. It is expected that C&P Suffolk will generate sufficient cash flow to operate, make upgrades to, and properly maintain the Water Systems. Such upgrades and repairs are estimated at $126,400.

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 the rendition of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED:

1) That C&P Suffolk is hereby authorized, pursuant to § 56-89 of the Code of Virginia, to acquire the Water Systems under the terms and conditions and as described herein;

2) That the authority granted herein shall have no ratemaking implications;

3) That Applicant shall file a report of the action taken pursuant to the authority granted herein on or before July 29, 1994, such report to include the date of purchase, 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 this Commission.

CASE NO. PUA930025
JANUARY 19, 1994

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to enter into intercompany agreements with CNG Transmission Corporation

ORDER GRANTING AUTHORITY

On October 15, 1993, Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into certain intercompany agreements with CNG Transmission Corporation ("Transmission," "Affiliate").

By Commission Order dated July 15, 1993, in Case No. PUA920022, VNG was granted approval for certain contracts with Transmission for the sale, storage, and transportation of natural gas by Transmission to the VNG Joint-Use Pipeline which was completed in December 1991. The sales, storage, and transportation contracts approved by the Commission provided for service of up to 30,000 Decatherms per day (Dthd) of natural gas beginning November 1, 1992.

In a subsequent case, Case No. PUA930017, by Order dated September 17, 1993, the Commission approved a natural gas transportation agreement between VNG and Transmission which provided for additional service of 5,000 Dthd on Transmission's pipeline system for delivery into the VNG Joint-Use Pipeline.

With this series of contracts, VNG has acquired natural gas sales, transportation, and storage service by Transmission to VNG of 35,000 Dthd delivered to the VNG Joint-Use Pipeline at Quantico, Virginia. By Federal Energy Regulatory Commission ("FERC") Order dated September 17, 1993, FERC approved the restructuring of the services to be performed by Transmission on behalf of its customers, all pursuant to FERC Order No. 636. The effective date of the restructuring of Transmission's services was established by FERC as October 1, 1993, and Transmission was ordered to file revised tariff sheets detailing the terms and conditions under which its restructured services would be offered to its customers from and after that date. Transmission filed its revised tariff sheets with FERC on September 30, 1993, and subsequently delivered to VNG proposed service agreements by which the 35,000 Dthd of service provided to VNG prior to October 1, 1993, would be restructured and provided to VNG after October 1, 1993, without change in the total quantity of gas service for which VNG has previously contracted and for which the Commission previously granted approval.

VNG now requests authority to enter into certain agreements with Transmission (1) for the transportation and storage of natural gas by Transmission to VNG under restructured, replacement contracts totaling 35,000 Dthd, pursuant to FERC Order No. 636, and (2) for the acquisition by VNG from Transmission of additional storage and transportation services on a restructured basis pursuant to FERC Order No. 636 over and above the quantities earlier contracted for and approved.

Regarding the FERC Order No. 636 replacement contracts, VNG requests authority to enter into three (3) restructured service agreements. The first agreement is a service agreement under Transmission's FERC approved Rate Schedule FTNN (Firm Transportation, No Notice) for the transportation of a maximum daily quantity of 19,852 Dthd of natural gas from various receipt points on the Transmission interstate pipeline system to the existing interconnection between Transmission's pipeline facilities and the VNG Joint-Use Pipeline at Quantico, Virginia. The second agreement is a service agreement under Transmission's FERC approved Rate Schedule GSS (Gas Storage Service) which provides for storage services on the Transmission interstate pipeline system of 789,000 Dth of storage capacity and 15,148 Dthd of storage withdrawal rights. The third agreement is a service agreement under Transmission's FERC approved Rate Schedule FTNN, Section 8 (FTNN-GSS Service), by which transportation of the storage gas contracted for under the second agreement referred to above will be provided for at the rate of 15,148 Dthd for a period of one hundred fifty one (151) days during the winter heating season. The total transportation service to be provided to VNG by Transmission under Rate Schedule FTNN will be 35,000 Dthd.

VNG states in its application that under the FERC Order No. 636 restructured service agreements, VNG will obtain no sales service from Transmission. All gas to be transported by Transmission on VNG's behalf, will be obtained by VNG from producers, marketers, and other sources of gas, including, pursuant to authority obtained from this Commission, affiliated companies other than Transmission.

VNG further requests authority to acquire from Transmission, acting as agent on behalf of Rochester Gas and Electric Corporation ("RG&E"), additional transportation services on Affiliate's interstate pipeline system in the amount of up to 40,000 Dthd. Under the incremental capacity agreement (the

"Agreement"), VNG would become a permanent replacement shipper for RG&E with respect to the incremental capacity for which approval is requested. Pursuant to the Agreement, VNG would enter into service agreements with Transmission by which Transmission would provide 20,000 Dthd of firm transportation under Rate Schedule FTNN for delivery to VNG's Joint-Use Pipeline at Quantico, Virginia; 1,040,000 Dth of storage capacity under Rate Schedule GSS with maximum storage withdrawal rights of 20,000 Dthd during the one hundred fifty one (151) day winter heating season; and 20,000 Dthd of transportation service under Rate Schedule FTNN, Section 8, for transportation of gas to be withdrawn from storage. The transportation services contemplated by the Agreement would become generally effective November 1, 1994, or the date that all facilities necessary to provide certain elements of the services have been completed, whichever is later. The storage capacity contemplated by the Agreement would be made available to VNG on April 1, 1994, in order to provide an opportunity for VNG to fill that storage capacity prior to the November 1, 1994 effective date of the incremental services.

The incremental capacity for which VNG requests approval has been identified by Company as being necessary to meet its public service obligations to its customers in the 1994-95 winter heating season and beyond, based on continued load growth throughout VNG's service territory. Company states that the location of its three (3) direct pipeline suppliers in relationship to its service territory, the current and anticipated future status of capacity available on those pipeline suppliers other than Transmission, the patterns of load growth and peak day requirements of its customers all lead to the conclusion that the acquisition of additional pipeline storage and transportation services from Transmission are in the best interests of VNG's customers. Company further states that approval of the FERC Order No. 636 restructured agreements would simply replace those agreements heretofore approved by the Commission in Case Nos. PUA920022 and PUA930017 with service agreements approved by FERC in compliance with its FERC Order No. 636. In addition, approval of the additional storage and transportation services on the Transmission pipeline system beginning November 1, 1994, will permit VNG to store and transport additional volumes of gas necessary to serve its customers' needs.

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 agreements would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That Virginia Natural Gas, Inc. is hereby granted authority to enter into the FERC Order No. 636 restructured service agreements as described herein which will replace those agreements heretofore approved by the Commission in Case Nos. PUA920022 and PUA930017 with service agreements approved by FERC in compliance with its Order No. 636;

2) That Virginia Natural Gas, Inc. is hereby authorized to enter into the additional storage and transportation agreements with Transmission as described herein for additional storage and transportation services on the Transmission pipeline system beginning November 1, 1994;

3) That any changes in the terms and conditions of the agreements described herein shall require Commission approval;

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 Virginia Code § 56-79; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA930026
APRIL 29, 1994

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of a Floor Space Agreement with affiliate

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Central Telephone," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act, Virginia Code § 56-77, for approval of a Floor Space Agreement (the "Agreement") and a Standard Power Agreement with its affiliate, Centel Cellular Company of Charlottesville ("Cellular, "Affiliate"). By amendment filed on April 14, 1994, the Agreement was amended to include the Standard Power Agreement, and the Standard Power Agreement as filed was terminated.

The Agreement between Central Telephone and Cellular was dated April 15, 1988. The Agreement is a lease for floor space under which Cellular is leasing approximately six hundred (600) square feet of central office space, associated tower attachment rights, and equipment power at East Rio Road, State Route 631, Charlottesville, Virginia.

The Agreement is for a ten (10) year period with the right to renew for an additional ten (10) years. The original monthly rental rates were $703.00 for the floor space and $55.00 for the tower space, subject to annual adjustment for consumer price index changes. Current rates are $857.93 ($795.79 for the original floor space lease rate + $62.14 for power usage) and $92.00 for tower space. In determining the appropriate amount to add to the lease rate for power usage, Company computed the average monthly charge during 1993 based on $.098 per kilowatt hour. The rate for floor space was determined based on annual carrying charge rates. The Tower attachment rate was based on what Central Telephone felt the market would bear.

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 as amended would be in the public interest and should be approved. The Commission is of the further opinion,

however, that approval shall be limited to the initial ten (10)-year period after which subsequent Commission approval shall be required for any renewal of the Agreement. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, Applicant is hereby granted approval of the Agreement as amended through April 15, 1998;

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 Commission approval shall be required for any renewal of the Agreement beyond April 15, 1998;

4) That the approval granted herein shall not be deemed to include the 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 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. PUA930027
MAY 6, 1994

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of a revised service agreement with affiliate

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Central Telephone," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act, § 56-77 of the Code of Virginia, for approval of a revised Service Agreement (the "Agreement") with Central Telephone Company ("Central", "Affiliate") pursuant to which Central will perform certain accounting, data processing, executive, and staff functions for Central Telephone.

In Case No. PUA820026, by Order dated May 13, 1982, the Commission approved a Service Agreement (the "Prior Agreement") dated November 1, 1981, between Central Telephone and Central. The services to be obtained by Company are substanially identical and represent a continuation of the services obtained from Central pursuant to the Prior Agreement. The Agreement contains two additional services not included in the Prior Agreement, those of data processing and quality consulting. The fees to Applicant of services provided by Affiliate will be equal to the actual costs and expenses of providing the services as in the Prior Agreement. The Agreement is dated January 1, 1989. However, Applicant states that it inadvertently failed to file for approval of the Agreement.

Company represents that data processing services were added to the Agreement to reflect accurately the corporate reporting structure in which the Eastern Region data processing and revenue accounting centers located in Charlottesville reported to Lincoln, Nebraska, rather than to local Central Telephone management. These centers were later consolidated with the Lincoln operations, and the Charlottesville centers were closed. Quality consulting was added to reflect the corporate coordination of Central Telephone Company's system-wide quality improvement process. Company states that it has not historically sought competitive bids for these services. Applicant states that the start-up costs alone for the establishment of services such as end-user billing, when borne by a single state would preclude this from a cost perspective.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that approval of the above-described Agreement would be in the public interest. Accordingly,

IT IS ORDERED:

1) That Central Telephone is hereby granted approval, pursuant to § 56-77 of the Code of Virginia, of the 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 shall not be deemed to include approval of recovery of any costs and 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. PUA930029
JANUARY 14, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to enter into Intercompany Transportation Agreement with Dominion Resources, Inc.

ORDER GRANTING AUTHORITY

On November 1, 1993, Virginia Electric and Power Company ("Virginia Power," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into an Intercompany Transportation Agreement (the "Agreement") under which Dominion Resources, Inc. ("DRI," "Affiliate") would make its aircraft available to Virginia Power management under certain circumstances. DRI recently purchased the aircraft for its use in conducting holding company business and the business of its affiliated companies. Virginia Power and DRI have determined that Virginia Power air travel can be accomplished with substantial efficiencies and potential cost savings to Company by using the DRI aircraft in lieu of commercial air travel.

The Intercompany Transportation Agreement with DRI provides the terms and conditions of Virginia Power's use of the aircraft. Company will be charged for passenger flight costs based on DRI's cost of providing such service, excluding the depreciation and carrying costs related to DRI's purchase of the aircraft.

In connection with the proposed agreement, Virginia Power and DRI will implement a tracking method to substantiate the comparable commercial coach fare that is reasonably available in lieu of the use of the DRI aircraft by or for the benefit of Virginia Power, which shall be deemed the Avoided Commercial Coach Fare (ACCF). The expenses recorded by Virginia Power in its operating accounts and subsequently included in cost of service will be limited to the lesser of the actual charge from DRI or the corresponding ACCF. Any amounts charged to Virginia Power in excess of the foregoing will be recorded in nonoperating expense accounts.

Company states in its application that the judicious use of Affiliate's aircraft can result in a substantial reduction in travel time, a reduction in the need for overnight accommodations, and a corresponding increase in productive management time, as compared to commercial air alternatives. Company further states that Virginia Power's ratepayers will also benefit from the fact that Company's cost of service will occasionally reflect less than the ACCF, and in no event more than the ACCF, as a result of Virginia Power reliance on the DRI aircraft. Company further points out in its application that DRI's general use of its aircraft for services contemplated in the Cost Allocation and Services Agreement approved by the Commission in Case No. PUE830060 will continue to be billed in accordance with that agreement (i.e. direct or allocated cost) according to the nature of the service. However, the determination of expenses to be assigned or allocated to Virginia Power will be determined in a manner consistent with the terms of the agreement proposed herein. The miscellaneous transportation expenses subsequently included in Virginia Power's cost of service will also be limited to the lesser of the actual charges from DRI or the corresponding ACCF applicable to DRI's use of its aircraft on behalf of Virginia Power.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Intercompany Transportation Agreement would not be detrimental to the public interest and should be approved. The Commission is of the further opinion, however, that in order to properly monitor the Agreement in effect and to assure that Virginia Power's use of DRI's aircraft and the associated costs continue to be in the public interest, that certain reporting requirements should be in effect for the duration of the Agreement. Accordingly,

IT IS ORDERED:

1) That Virginia Power is hereby authorized to enter into the Intercompany Transportation Agreement with DRI under the terms and conditions and for the purposes as described herein;

2) That any changes in the terms and conditions from those contained in this application shall require Commission approval;

3) That the authority granted herein shall not preclude the Commission from exercising the provisions of Virginia Code §§ 56-78 and 56-80 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 Virginia Code § 56-79;

5) That Applicant shall file a report with the Director of Public Utility Accounting on or before April 1 of each year beginning April 1, 1995, and with each rate case filing, containing the following information for all costs allocated or charged to Virginia Power in accordance with the Agreement, such information provided on a per trip or charge basis: a description of the purpose of each trip; names and titles of individuals traveling; specific reasons for each individual traveling; the total cost, by individual, allocated or charged to Virginia Power; the comparable coach fare for each trip, airlines surveyed, and date of survey; and the amounts and accounts charged, by month; and

6) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA930030
FEBRUARY 28, 1994

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to contract for winter peaking service with CNG Gas Services Corporation, an affiliate

ORDER GRANTING AUTHORITY

On November 3, 1993, Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for authority to enter into a Letter Agreement (the "Agreement") with its affiliate, CNG Gas Services Corporation ("Gas Services," "GSC," "Affiliate") pursuant to which Gas Services would provide winter peaking services to VNG. The Agreement provides for winter peaking service of up to 10,000 Decatherms per day (DthD), with a seasonal quantity of 150,000 Dth, delivered to VNG at the interconnection of the VNG Joint-Use Pipeline and the VNG Lateral Pipeline near Mechanicsville, Virginia, during the months of November 1993 through March 1994. The sale and delivery of the gas will be on a firm basis, and VNG will be required to purchase the full seasonal quantity.

The Agreement further provides that, in the event the incremental firm capacity VNG proposes to acquire from CNG Transmission Corporation, authorized in Case No. PUA930025, will not be available to VNG for the 1994-95 winter period as planned, the daily and seasonal quantities under this proposed peaking service will be increased to 20,000 DthD and 300,000 Dth, respectively. The proposed contract term will be extended to the period November 1994 through March 1995.

VNG represents that Company has determined that, at minimum, it will need firm gas supplies of approximately 280,000 DthD in order to meet its projected design peak day firm service customer gas requirements during the 1993-94 winter period. Company further represents that firm gas supplies currently available to VNG for the 1993-94 winter period total 274,883 DthD, resulting in a deficit of approximately 5,117 DthD when compared to VNG's projected design peak day gas requirement.

Company states in its application that VNG has continually evaluated since 1992 the availability and cost of a number of firm supply alternatives for use during the 1993-94 winter period and that it will be in the public interest for VNG and GSC to enter into the above-described agreement. VNG states that the Agreement will benefit VNG's customers through improved reliability of supply on both a design day and seasonal basis.

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 Letter Agreement with Affiliate will not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That Virginia Natural Gas, Inc. is hereby authorized to enter into the Letter Agreement with CNG Gas Services Corporation as described herein for winter peaking service;

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 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. PUA930031
APRIL 12, 1994

JOINT APPLICATION OF
GWC CORPORATION
and
UNITED WATER RESOURCES INC.

For approval to merge

ORDER GRANTING APPROVAL

On December 10, 1993, GWC Corporation ("GWC") and United Water Resources Inc. ("UWR"), (collectively referred to as "Joint Applicants") filed an application with the Commission under the Utility Transfers Act for approval to merge. By Order dated February 7, 1994, the Commission extended its jurisdiction through June 8, 1994.

GWC is a Delaware corporation which owns 100% of the stock of General Waterworks Corporation ("GWW"), which owns 100% of the stock of Virginia Suburban Water Company ("VSWC"), a Virginia corporation engaged in the business of supplying water to the public in and around Essex, Lancaster,

Northumberland, King William, and Westmoreland Counties, Virginia. GWW also owns the stock of twenty four (24) other operating utility companies in fourteen (14) states. VSWC is a public utility subject to Commission jurisdiction.

The principal shareholder of GWC is Lyonnaise American Holding, Inc. ("Lyonnaise"), a Delaware corporation and subsidiary of Lyonnaise des Eaux-Dumez, a French multi-national corporation and one of Europe's largest water suppliers. Lyonnaise currently owns 81.9% of the issued and outstanding common stock of GWC. The remaining 18.1% is publicly held.

UWR is a publicly-owned New Jersey corporation with subsidiaries in New Jersey and New York. UWR's principal subsidiaries are Hackensack Water Company, a water utility which provides service to approximately 175,000 customers in Bergen and Hudson Counties in New Jersey and Spring Valley Water Company, a water utility which serves approximately 59,000 customers in Rockland County, New York. UWR is also the parent of nonregulated companies which are engaged in the installation of automatic meter reading equipment, laboratory testing, the ownership and operation of water and sewerage utilities, and real estate acquisition and development.

Joint Applicants request approval to consummate the transactions contemplated in the Agreement and Plan of Merger (collectively referred to as the "Agreement") between UWR and GWC dated as of September 15, 1993, including authorization pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia. According to the Agreement, as of the effective date of the merger, GWW will become a wholly-owned subsidiary of UWR, which will acquire the outstanding common stock of GWC, including the common stock held by Lyonnaise, in exchange for a combination of UWR Common Stock, UWR Convertible Preference Stock, and cash. The Agreement provides that each shareholder of issued and outstanding GWC Common Stock will have seventy per cent (70%) of his total number of shares of GWC Common Stock converted into UWR Common Stock at a ratio of 1.2 shares of UWR Common Stock to one share of GWC Common Stock. Shareholders of GWC Common Stock will have the option of receiving consideration for the remaining thirty per cent (30%) in either: (1) cash equal to 1.2 times the Average Trading Price of UWR Common Stock, or (2) an equivalent value of UWR Cumulative Convertible Preference Stock.

By separate Letter Agreement (the "Letter Agreement") dated September 15, 1993, Lyonnaise has agreed to elect to receive the entire remaining thirty per cent (30%) of the consideration to be paid for its GWC Common Stock in the form of UWR Cumulative Convertible Preference Stock rather than cash. Upon consummation of the merger and based upon the currently outstanding number of shares of UWR and GWC common stock, Lyonnaise will own approximately twenty six per cent (26%) of the surviving company. In the Letter Agreement, Lyonnaise has agreed that, in connection with the consummation of the merger, Lyonnaise will enter into a twelve (12) year Governance Agreement with UWR, effective as of the date of the merger, which will govern the relationship of UWR and Lyonnaise.

Joint Applicants state that the proposed merger does not contemplate any change in direct ownership, direct control, or operation of VSWC. VSWC will continue as a wholly-owned subsidiary of GWW, which will become a wholly-owned subsidiary of UWR rather than GWC. GWC will no longer exist. Joint Applicants represent that the merger does not seek any changes in VSWC's rates charged to its customers, or in any of its policies with respect to service, employees, operations, financing, capitalization, accounting, depreciation, or other matters affecting the public interest or utility operations. VSWC will continue to maintain its books in accordance with the Uniform System of Accounts. It is also stated that there are no present plans to liquidate VSWC, to sell its assets or any part thereof, to merge or consolidate it, or to make other material change in its operations or management.

Joint Applicants further represent that the proposed merger will benefit the customers, employees, and shareholders of UWR and GWC and will promote the public interest by establishing a pool of resources and expertise which will, among other things, increase access to capital markets, increase opportunities for growth, facilitate opportunities for joint ventures, enhance research and development, and promote compliance with ever-increasing federal and state regulatory requirements regarding water supply quality. The larger customer base will strengthen the financial capabilities of the surviving company and its various utility subsidiaries.

According to information provided by Joint Applicants, the proposed merger will not result in the consolidation of any utility company subsidiary of UWR or GWC. There should be no change in the capital structure of the utility subsidiaries of UWR and GWW. All costs associated with the merger are being allocated to UWR or GWC and will not be charged to any subsidiaries. There will also be no liquidation of assets of any non-regulated subsidiary. Furthermore, the proposed merger will not require any new or amended affiliated agreements since VSWC will continue to be a subsidiary of GWW and engineering, accounting, treasury, legal, rate, and tax services will continue to be provided by General Waterworks Management and Service Company in accordance with an agreement dated October 1, 1987.

THE COMMISSION, upon consideration of the application and representations of Joint Applicants and having been advised by its Staff, is of the opinion that, pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, the proposed merger of GWC into UWR would not impair or jeopardize the rendition of adequate service to the public at just and reasonable rates, and therefore, should be approved. Accordingly,

IT IS ORDERED:

1) That GWC and UWR are hereby granted approval to merge GWC into UWR pursuant to the Agreement under the terms and conditions as described herein;

2) That Joint Applicants shall file a report of the action taken pursuant to the authority granted herein on or before June 30, 1994; and

3) That this matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUA930032
JANUARY 27, 1994

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") has filed an application under the Public Utilities Affiliates Act for authority to continue to loan or advance funds to its parent, Sprint Corporation ("Sprint"), from time to time, the total outstanding amount not to exceed $15,000,000 at any one time. Such advances would be on demand and would bear interest payable monthly, such interest to be determined by the Thirty-Day Commercial Paper Index as published by the Federal Reserve, plus forty-five (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, 1994.

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 detrimental to the public interest and should be approved; accordingly,

IT IS ORDERED:

1) That United Telephone-Southeast, Inc. is hereby authorized to loan or advance funds from time to time to Sprint Corporation, 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, 1994, an application shall be filed with the Commission for subsequent approval;

3) That the authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) That the Commission shall maintain the authority to inspect the accounting records and books of any Company affiliate as necessary as pertains to this approval;

5) That Company shall file, on or before February 28, 1995, 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

6) That this matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA930033
APRIL 28, 1994

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-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, 1994.

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, 1994, 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;

6) That Company shall file, on or before February 28, 1995, 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. PUA940001
JULY 5, 1994

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of a proposed service agreement with an affiliate

ORDER GRANTING APPROVAL

United Telephone-Southeast, Inc. ("United," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for approval of a proposed Service Agreement (the "Agreement") with Sprint Mid-Atlantic Telecom, Inc. ("Management Company," "Affiliate") pursuant to which Management Company will perform certain management, information, and business operation and support functions for United.

In Case No. PUA910027, by Order dated May 12, 1982, the Commission approved a similar agreement (the "S/UMC" Service Agreement") with Sprint/United Management Company ("S/UMC"). The S/UMC Service Agreement provides for the furnishing by S/UMC of management, professional, financial, technical, and advisory services to Company. United proposes that the services provided to Company under the S/UMC Service Agreement now be performed by Management Company pursuant to the proposed Agreement. The services to be obtained by Company under the Agreement are similar to the services obtained under the S/UMC Service Agreement, but at the regional level. The fee for Management Company services will be the same as under the S/UMC Service Agreement, which is that of the actual costs of providing the services, including a return on assets.

The proposed Agreement is to be effective year to year beginning from its effective date and may be terminated on ninety (90) days notice. Company states that the Agreement will result in continued reduced operating costs, efficiencies, and economies of scale.

Company represents that the Agreement is a result of the merger of Sprint Corporation and Centel Corporation effective in March 1993. Company further states that in an effort to generate maximum cost efficiencies, the administrative support functions for Virginia, North Carolina, South Carolina, and Tennessee were consolidated into a regional operation to be located in Wake Forest, North Carolina. Company represents that the proximity and contiguous territory of the Sprint Corporation and Centel Corporation telephone operations in these four (4) states made this organization a natural and logistical decision.

United states that Management Company is the company planned to perform certain management, information, and business operation and support functions for the previously organized United telephone companies. Prior to the organization of Management Company, many of the functions addressed in the Agreement were performed in Bristol, Tennessee by S/UMC. After the merger of Centel Corporation and Sprint Corporation, these functions will be managed from Wake Forest, which is more accessible to the regional service territory. An alternative to the proposed Agreement would be to leave all existing organizations and functions in place. This, however, would result in maintaining redundant operations. Company advised that Sprint Corporation does not contract its management of operations outside the company and that it has successfully run low cost companies in Virginia and Tennessee (United Telephone-Southeast, Inc.), North Carolina (Carolina Telephone) and South Carolina (United Telephone of the Carolinas).

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 Applicant is hereby granted approval for the Agreement under the terms and conditions 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 shall in no way 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 approval granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia;

6) That Applicant shall file a report with the Director of Public Utility Accounting of the Commission on or before April 1 of each year beginning April 1, 1995, for the preceding calendar year, such report to include a description of services provided to Applicant under the Agreement, charges incurred for such services, an explanation of how such charges were determined, and the calculation of any return component of charges incurred; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940002
JUNE 24, 1994

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of a proposed service agreement with an affiliate

ORDER GRANTING APPROVAL

Central Telephone Company of Virginia ("Central Telephone," "Company," "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for approval of a proposed Service Agreement (the "Agreement") with Sprint Mid-Atlantic Telecom, Inc. ("Management Company," "Affiliate") pursuant to which Management Company will perform certain management, information, and business operation and support functions for Central Telephone.

In Case No. PUA820026, by Order dated May 12, 1982, and Case No. PUA930027, by Order dated May 6, 1994, the Commission approved similar agreements with Central Telephone Company ("CTC"), (jointly referred to as the "CTC Service Agreements"). The CTC Service Agreements provide for the furnishing by CTC of management, professional, financial, technical, and advisory services to Company. Central Telephone proposes that the services provided to Company under the CTC Service Agreements now be performed by Management Company pursuant to the proposed Agreement. The services to be obtained by Company under the Agreement are similar to the services obtained under the CTC Service Agreements. The fee for Management Company services will be the same as under the CTC Service Agreements, which is that of the actual costs of providing the services, including a return on assets.

The proposed Agreement is to be effective year to year beginning from its effective date and may be terminated on ninety (90) days notice. Company states that the Agreement will result in continued reduced operating costs, efficiencies, and economies of scale.

Company represents that the Agreement is a result of the merger of Sprint Corporation and Centel Corporation effective in March 1993. Company further states that in an effort to generate maximum cost efficiencies, the administrative support functions for Virginia, North Carolina, South Carolina, and Tennessee were consolidated into a regional operation to be located in Wake Forest, North Carolina. The proximity and contiguous territory of the Sprint Corporation and Centel Corporation telephone operations in these four (4) states made this organization a natural and logistical decision.

Central Telephone states that Management Company is the company planned to perform certain management, information, and business operation and support functions for the previously organized Central telephone companies. Prior to the organization of Management Company, many of the functions addressed in the Agreement were performed in Lincoln and Chicago by Central Telephone Company. After the merger of Centel Corporation and Sprint Corporation, these functions will be managed from Wake Forest, which is more accessible to the regional service territory. An alternative to the proposed Agreement would be to leave all existing organizations and functions in place. This, however, would result in maintaining redundant operations. Company advised that Sprint Corporation does not contract its management of operations outside the company and that it has successfully run low cost companies in Virginia and Tennessee (United Telephone-Southeast, Inc.), North Carolina (Carolina Telephone) and South Carolina (United Telephone of the Carolinas).

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, Applicant is hereby granted approval for the Agreement under the terms and conditions 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 shall in no way 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 approval granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia;

6) That Applicant shall file a report with the Director of Public Utility Accounting of the Commission on or before April 1 of each year beginning April 1, 1995, for the preceding calendar year, such report to include a description of services provided to Applicant under the Agreement, charges incurred for such services, an explanation of how such charges were determined, and the calculation of any return component of charges incurred; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940003
JUNE 1, 1994

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to reimburse 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 to reimburse Bell Atlantic Network Services, Inc. ("NSI") for C&P's allocated share of repayments to Bell Atlantic Tricon Leasing Corporation ("Tricon") pursuant to contractual agreements between NSI and BMC Software, Inc. ("BMC") under which Tricon financed the prepayment of four (4) years of software upgrades and maintenance.

Company states in its application that the Information Systems organization within NSI operates the hardware and software necessary to provide computer systems which use database software. BMC sells utility software which allows its customers to efficiently operate and manage large databases.

Company represents that in 1985, NSI initially entered into a contract with BMC (the "BMC Contract") for the provision of software. BMC software is used in managing such C&P systems as Trunk Integrated Records Keeping ("TIRKS"), Loop Maintenance Operating Systems ("LMOS"), Wide Area Telephone Service ("WATS"), and Computer Assisted Purchasing Receival and Invoicing System ("CAPRI"). In 1990 and 1992, there were two amendments to the BMC Contract, Amendment 1 and Amendment 2. These two amendments covered such matters as changes in the term period of the BMC Contract and prices.

In December 1992, BMC offered NSI the option to prepay the maintenance of BMC software through Tricon. The advantages of prepaying were as follows: BMC offered discounted maintenance rates and future maintenance increases would be avoided. The prepayment option was for three (3) or four (4) years, 1994-1996 or 1997. NSI had to commit before the end of 1992 in order to receive the discounts.

C&P states in its application that in order to take advantage of the prepaid maintenance discount within the commitment deadline, NSI agreed to prepay for four (4) years of maintenance through financing provided by Tricon. NSI, therefore, entered into Amendment 3 to the BMC Contract. Under Amendment 3, NSI's prepayment amount was $4,064,918 through four (4) yearly payments of $1,258,490. C&P's share of the yearly payment was $189,277. NSI's savings over four (4) years is $923,000, and Company's share of the four-year savings is $139,000.

In June 1993, BMC offered a prepayment option through Tricon covering payments for software upgrades and for the maintenance for those software units added since, and not covered by, Amendment 3. The interest rate for prepayment financing through Tricon was quoted by BMC to be 8.09%. NSI obtained quotes for similar financing from other companies. Such rates proved to be higher than that quoted by BMC. NSI then entered into Amendment 4 to the BMC Contract. NSI's prepayment amount under Amendment 4 was $5,704,867 to be repaid in four yearly installments of $1,668,273 beginning January 1, 1994. Company's share of the yearly payment was $250,908. Savings over four (4) years for NSI is $2,200,000, and C&P's share of the savings over four (4) years is $330,000.

C&P states in its application that since the prepayment to BMC of maintenance and upgrade charges is a reasonable business decision, and since the choice of Tricon as a finance company is justified by business necessity in the case of Amendment 3 and by comparison with rates available from other companies in the case of Amendment 4, the authorization for Company to reimburse NSI for C&P's share of repayments 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 arrangement is in the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, C&P is hereby authorized to reimburse NSI for Applicant's share of repayments due Tricon under Amendment 3 and Amendment 4 of the BMC Contract between NSI and BMC as described herein;

2) That the authority granted herein shall not be deemed to include recovery of any costs or charges for ratemaking purposes;

3) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) That the Commission reserves the 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. PUA940006
MAY 2, 1994

APPLICATION OF
CLIFTON FORGE-WAYNESBORO TELEPHONE COMPANY

For approval of an amended Affiliates Agreement

ORDER GRANTING AUTHORITY

On January 6, 1994, Clifton Forge-Waynesboro Telephone Company ("Telephone Company," "Applicant") 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 interest in entities that provide cellular service in Virginia and may, from time to time, be responsible for the general management of such cellular service providers.

In this case, Telephone Company requests approval to amend the Agreement to allow CFW Communications Services, Inc. ("Services") and CFW Quality Cable, Inc. ("Cable") to be included in the Agreement. Services provides deregulated products and services within Virginia, and Cable provides wireless telecommunication services within Virginia.

Under the terms of the amended Agreement, Telephone Company will provide building, construction, maintenance, and repair services to Services and Cable at full cost. Telephone Company will provide local telephone services to CFWcom, Network and Cellular at tariffed rates. Telephone Company will provide building space to CFWcom, Network, and Cellular at full cost. CFWcom will provide executive, administrative, accounting, revenue billing, marketing, and information processing services to Telephone Company at full cost. Previously, Telephone Company provided these services.

Company requests approval to amend the Agreement to add Services and Cable and to reflect CFWcom's corporate reorganization that became effective January 1, 1994. Previously, Telephone Company was the employer for all employees. Some of these Telephone Company employees provided services such as executive, accounting, revenue billing, administrative, marketing, and information processing services to CFWcom and its other subsidiaries at full cost. These services flowed from Telephone Company to the affiliates. Under the reorganization, several Telephone Company employees have been transferred to CFWcom and Services. CFWcom and Services are now employers, and their employees provide the same services previously mentioned as provided by Telephone Company at full cost. Company believes that this transfer of employees and services from Telephone Company allows a clearer distinction of the regulated services offered by Telephone Company. This reorganization is intended to allow each subsidiary company to focus a more concentrated effort on its own specialized business segment. Applicant requests that the approval be made retroactive effective January 1, 1994.

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 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 Agreement as described herein effective January 1, 1994;

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 and 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. PUA940007
MAY 2, 1994

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For authority to contract with an affiliate for intermediate term gas supply service

ORDER GRANTING AUTHORITY

On January 11, 1994, Virginia Natural Gas, Inc. ("VNG," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act, § 56-77 of the Code of Virginia, for authority to enter into a Letter Agreement (the "Agreement") dated December 23, 1993, with CNG Gas Services Corporation ("Gas Services," "Affiliate"). Pursuant to the Agreement VNG will secure firm gas supply from Gas Services for a contract term of five (5) years.

The Agreement provides for firm gas supply service of up to 4,480 DthD of Appalachian gas supply delivered to CNG Transmission Corporation at various delivery points on its interstate pipeline facilities in Appalachia for a period of five (5) years beginning November 1, 1993. The sale and delivery of the gas is on a firm basis, with the commodity price to be determined with reference to a published price index. The price index used for purchases during November-March is the Natural Gas Intelligence Gas Price Index, and the index for April-October purchases is the Inside FERC's Gas Market Report.

Company states that as a result of the restructuring of interstate pipeline services and the elimination of the pipeline supply function mandated by Federal Energy Regulatory Commission ("FERC") Order No. 636, it was necessary for VNG to acquire gas supplies delivered into certain direct-connect and upstream interstate pipelines, including CNG Transmission Corporation.

As a result of the restructuring proposal approved by FERC effective October 1, 1993, CNG Transmission Corporation restructured its services to the effect that certain transportation capacity obtained by VNG on that system must originate at Appalachian delivery points. Therefore, Company engaged in a process by which it sought to obtain gas supplies to fill that transportation capacity which it had secured on CNG Transmission Corporation under Order No. 636, as well as all other pipelines on which it has obtained capacity.

Company represents that the Agreement is the result of a competitive bidding process in which VNG evaluated potential suppliers to identify those that met VNG's criteria. After the process was completed, Gas Services submitted the lowest bid. VNG, therefore, selected Gas Services to provide the required supply.

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 for intermediate term firm gas supply service would not be detrimental to 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 enter into the Letter Agreement with CNG Gas Services Corporation for intermediate term firm gas supply service under the terms and conditions and for the purposes as described herein;

2) That the authority granted herein shall be effective beginning November 1, 1993, through October 31, 1998;

3) That should Applicant desire to continue with the above-described arrangement beyond October 31, 1998, subsequent Commission approval shall be required;

4) That should any of the terms and conditions of the December 23, 1993 Letter Agreement change from those described herein, Commission approval shall be required for such changes;

5) That the authority granted herein shall not be deemed to include approval of recovery of any costs or charges for ratemaking purposes;

6) That the authority granted herein shall not prelude 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; and

8) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940008
APRIL 15, 1994

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

For authority to renew its contract with Bell Atlantic Directory Graphics, Inc.

ORDER GRANTING AUTHORITY

On January 19, 1994, The Chesapeake and Potomac Telephone Company of Virginia ("C&P"," "Company," "Applicant") filed an application with the Commission pursuant to § 56-77 of the Code of Virginia for authority to renew its contract with Bell Atlantic Directory Graphics, Inc. ("BADG," "Affiliate"). Company requests authority to renew the contract from March 1, 1994, through February 28, 1999.

On August 19, 1988, in Case No. PUA880037, C&P was granted authority to participate in a contract with BADG pursuant to which Affiliate currently provides photocomposition services for the directories published by C&P. In Case No. PUA920005, by Order dated July 17, 1992, the Commission approved an amendment to the original contract to further mechanize the yellow pages production process through a process referred to as Integrated Ad Makeup ("IAMUP"). IAMUP allows C&P's yellow pages sales representatives to create and edit new and existing yellow pages ads at their sales offices using personal computers, and to electronically transmit their finalized ads to BADG for inclusion in the production ad database. Under the current agreement, the contract periods for the provision of services by BADG to the individual Bell Atlantic operating telephone companies all expire at various dates in 1994.

In its application, Company states that the market for firms which could provide Bell Atlantic photocomposition services has not changed for the following reasons: consolidation in the industry has taken place, most major directory publishers have integrated the photocomposition function into their directory operations by acquiring photocomposition companies, and some photocomposition vendors are involved in competing niche directory ventures.

In order to determine whether BADG was providing the companies of Bell Atlantic with good photocomposition services at competitive prices, Company hired Coopers & Lybrand to study the services and prices of BADG. Coopers & Lybrand compared BADG to four similar photocomposition companies within the industry. The results of the study showed that BADG's performance exceeded the other companies compared in productivity, quality, resource management, and price performance.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that, pursuant to § 56-77 of the Code of Virginia, renewal of the above-described contract would be in the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That The Chesapeake and Potomac Telephone Company is hereby authorized to renew its current contract with Bell Atlantic Directory Graphics, Inc. for photocomposition services, such renewal term to run from March 1, 1994, through February 28, 1999;

2) That should any of the terms and conditions of the renewal contract change from those described herein, Commission approval shall be required for such changes;

3) That should Company desire to continue the above-described arrangement beyond February 28, 1999, subsequent Commission approval shall be required;

4) That the authority granted herein shall in no way be deemed to be approval of the the recovery of any costs or charges for ratemaking purposes;

5) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

6) That the Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia; and

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940009
FEBRUARY 17, 1994

JOINT APPLICATION OF
SYDNOR WATER CORPORATION
and
WILDERNESS UTILITY ASSOCIATES, INC., t/a WILDERNESS WATER AND UTILITY COMPANY

For authority to transfer utility assets

ORDER GRANTING AUTHORITY

On January 14, 1994, Sydnor Water Corporation ("Sydnor") and Wilderness Utility Associates, Inc. t/a Wilderness Water and Utility Company ("Wilderness"), (collectively referred to as "Applicants") filed a Joint Application requesting authority pursuant to the Utility Transfers Act for Wilderness to transfer the assets by which it provides water service to customers located in the County of Spotsylvania, Virginia, to Sydnor. Applicants state that the proposed transfer would enable Sydnor to provide water utility service to approximately 1,100 residential lots in the Lake Wilderness subdivision, of which the owners of approximately 660 lots are current users.

Applicants request expedited approval of the transfer since the closing is contingent upon Commission approval of the Joint Application. Applicants state that such approval will result in improvement in the quality of water service and will allow Sydnor to make certain improvements to the system to correct problems of discolored water and low pressure.

Applicants state that subsequent to the transfer, Sydnor will provide water utility service to the Lake Wilderness subdivision by and through the assets acquired from Wilderness. These assets include all real estate; easements and rights-of-way; wells; pumps; buildings; treatment and storage facilities; lagoons; distribution mains, valves, and meters; materials and supplies inventories; water revenue accounts receivable; and all transferable licenses, permits, and certificates of authority.

The terms and conditions of the transfer are set forth in an Asset Purchase Agreement (the "Agreement") which Applicants represent to be the product of arms-length bargaining. Under the Agreement, Sydnor will pay Wilderness $243,220 for the assets purchased. In addition, if Spotsylvania County or Utilities, Inc. acquires the water system within three years from the date of closing, then Wilderness will receive fifteen per cent (15%) of the net sales price. If the system is acquired in the fourth or fifth year, Wilderness will receive five per cent (5%) of the net sales price. Sydnor also agrees to pay Wilderness an additional amount equal to $400 of the 101st to the 225th full connection fees paid and received by Sydnor prior to December 31, 1998.

In addition, at closing, Wilderness will withdraw its current rate application. Sydnor will then file an application for a certificate of public convenience and necessity and approval of its tariffs. Pending such approvals, Wilderness will lease back the water utility system from Sydnor, and Sydnor's parent company, Sydnor Hydrodynamics, Inc., will operate the water utility system.

Since Wilderness will withdraw its rate application currently pending before the Commission, the transfer will have no immediate rate impact on customers. When Sydnor files for approval of its rates and tariffs, however, it will seek new, possibly higher, rates which will reflect its investment in the system.

In a clarification statement filed on February 9, 1994, Sydnor states that it will record the assets purchased on its books in an amount equal to its initial purchase price of those assets, $243,220, with no associated depreciation or contributions in aid of construction. Sydnor states that it will seek only recovery of investment, or depreciation expense, based upon its initial investment. Sydnor states that to the extent it is required to make subsequent payments to Wilderness in relation to future connections, such amounts will not be added to Sydnor's basis in the assets. If Sydnor is required to carry the asset values, depreciation reserve balance and contributions of Wilderness on its books, it will then seek an acquisition adjustment that will produce a rate base equal to its investment in these assets. In the event that such an acquisition adjustment is granted, Sydnor would agree to limit its depreciation expense to the recovery of its investment in the assets.

On January 31, 1994, the Lake Wilderness Property Owners Association (the "Association"), by counsel, filed a Response to the Joint Application. The Association noted long-standing problems with water service and the need for plant improvements. The Association requested the Commission, if it approves the Joint Application, to grant such approval subject to the following conditions:

(1) that the approval will have no impact for ratemaking purposes in the event Sydnor seeks an acquisition adjustment in a future rate case;

(2) that Sydnor be required to assume the operative provisions of the Commission's June 25, 1993 Order of Settlement in Case No. PUE860079 relative to scheduled improvements and reporting requirements for those improvements; and

(3) that the Commission require an audit to determine if connection fees paid by Lake Wilderness residents were used for plant additions and that, pending the outcome of such an audit, the net sales proceeds of the transfer be held in escrow. If the results of the audit show that connection fees were used for purposes other than plant improvements, the Association asks that reimbursement be sought from Wilderness or its owners.

On February 14, 1994, the Association filed a Reply to Clarification of Sydnor Water Corporation ("Reply"). In its Reply the Association reiterated its concern regarding the above referenced matters.

NOW THE COMMISSION, upon consideration of the Joint Application, the Response and Reply of the Association, and having been advised by its Staff, is of the opinion that the above-described transfer of utility assets will not impair or jeopardize adequate service to the public at just and reasonable rates. We find that the transfer should be approved and that approval of the transfer should have no implications for ratemaking purposes. Any recovery of Sydnor's investment should be addressed in subsequent proceedings involving applications by Sydnor for a certificate of public convenience and necessity and for approval of its tariffs.

We are also of the opinion that, given the need for improvements to the water system, Sydnor should provide the Commission with a written plan detailing its proposed improvements and a schedule for their implementation. That plan should be filed promptly.

We believe these measures constitute an adequate and affirmative response to the first two requests made by the Association, described above. As for the third, the Association cites no authority to support its call for such an audit, escrowing of purchase funds, and possible attempted collection of previously expended monies from Wilderness or its owners. Although we have undoubted ability to audit a public service company, we are not so certain of our authority to escrow funds of this nature pending audit completion, or of our jurisdiction to seek recovery of money we may determine to have been improperly expended.

Improper expenses are generally dealt with in setting rates. Normally we deny operating expense status of improper or imprudent expenses in setting rates on a prospective basis. This treatment has the effect of forcing the shareholders, rather than rate payers, to bear any improper expenses through lower future rates, but we do not also seek to compel actual reimbursement to the company from the recipients of those funds. It would not be reasonable to apply even our usual ratemaking methods to such a problem here. Any expenses disallowed for ratemaking purposes as a result of the requested audit would necessarily relate to expenditures made by Wilderness in the past. Such disallowances would affect only future rates, however, when the owner of the system will be Sydnor, which bears no responsibility for any such activities.

We therefore find it would not be appropriate to condition the transfer sought in this case on the audit and related measures requested by the Association. Accordingly,

IT IS ORDERED:

(1) That Wilderness Water and Utility Company be, and hereby is, authorized to transfer its utility assets, by which it provides water service to customers located in the County of Spotsylvania, Virginia, to Sydnor Water Corporation at a price of $243,220 and under the terms and conditions as described herein;

(2) That approval of the Joint Application shall have no implications for ratemaking purposes and that the transfer shall be carried on Sydnor's books and records at the value of $243,220 with no acquisition adjustment;

(3) That any recovery of Sydnor's investment in the assets described herein shall be addressed in subsequent proceedings;

(4) That Sydnor shall file a plan detailing its proposed improvements to the water system, as described above, on or before March 1, 1994;

(5) That, on or before, April 29, 1994, Sydnor shall file with the Commission, a report of the action taken pursuant to the authority granted herein, such report to include the accounting entries reflecting the transfer and the date of transfer; and

(6) That this matter shall be continued generally, subject to the continuing review and appropriate directive of the Commission.

CASE NO. PUA940009
MARCH 10, 1994

JOINT APPLICATION OF
SYDNOR WATER CORPORATION
and
WILDERNESS UTILITY ASSOCIATES, INC., t/a WILDERNESS WATER AND UTILITY COMPANY

For authority to transfer utility assets

ORDER DENYING RECONSIDERATION

On February 17, 1994, the Commission entered an order granting authority for Wilderness Utility Associates, Inc., t/a Wilderness Water and Utility Company ("Wilderness") to transfer the utility assets by which it provides water service to customers located in Spotsylvania County, Virginia, to Sydnor Water Corporation ("Sydnor"). By Petition filed March 7, 1994, the Lake Wilderness Property Owners Association ("the Association"), by counsel, requests that the Commission issue an order granting reconsideration and suspending the effect of its February 17, 1994 Order.

The Association specifically requests that, as a part of the reconsideration, the Commission require an audit to determine the proper accounting for connection fees paid to Wilderness and the purpose for which those fees have been used. In addition, the Association requests that, while the audit is being performed, the sales proceeds from the transfer be held in escrow.

In support of its Petition, the Association argues that the Commission has authority to require an audit of connection fees paid by customers of Wilderness. The Association maintains that such an accounting is necessary in determining the utility's rate base and in establishing future rates. The Association notes Sydnor has filed an application for a certificate of public convenience and necessity on February 24, 1994, which includes a proposed increase in rates with a rate base equal to the purchase price paid by Sydnor. The Association states that customers should not be asked to pay increased rates on a positive rate base until the issue of the appropriate amount of connection fees has been resolved.

The Association also states that an audit needs to be performed to determine if connection fees have been used properly. The Association states that, if it is determined that such fees have not been applied for a proper purpose, the loss should be borne by Wilderness and not by those who have paid connection fees. The Association asserts, citing Application of Lake Monticello, Case No. PUE820054 (1983 S.C.C. Ann. Rept. 371, 376-378), that the only proper use of such fees is for system improvements and that, pending the outcome of an audit, the sales proceeds from the transfer should be placed in escrow.

On March 9, 1994, Sydnor, by counsel, filed a Response to the Petition for Reconsideration. We gave that Response no consideration, however, inasmuch as Rule 8:9 states that ". . . no response to the petition . . . will be entertained by the Commission."

NOW THE COMMISSION, having considered the matter, is of the opinion that the Association's request for reconsideration should be denied.

We are of the opinion that many of the concerns of the Association can be more appropriately addressed in a subsequent proceeding involving Sydnor's application for a certificate of public convenience and necessity and for approval of its tariffs. In such a proceeding, Staff will be directed to analyze and investigate Sydnor's application and to make recommendations as to the reasonableness of Sydnor's proposed rates.

In addition, those customers who have paid connection fees and are not presently hooked up to the water system need not suffer loss. We note that there is a protective clause in the Asset Purchase Agreement entered into by Wilderness and Sydnor in which Sydnor agrees to assume the responsibility for making such connections if certain conditions are met. (See page 5 of Asset Purchase Agreement filed on January 18, 1994.) Accordingly,

IT IS ORDERED that the Association's request for reconsideration be, and hereby is, denied.

CASE NO. PUA940010
APRIL 13, 1994

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, 1994, up to a maximum outstanding amount of $2,000,000 at any one time. Such loans will be evidenced by notes of Telecommunications maturing less than twelve months after the date of issue and will bear interest payable monthly at the New York prime rate.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that the proposed loan arrangement would not be detrimental to the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That Company is authorized, 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, 1994, an application shall be filed with the Commission for subsequent approval;

3) That the authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia;

5) That, on or before January 31, 1995, Company shall file with the Commission a report of action taken in accordance with the authority granted herein, such report to include a schedule of funds loaned to Telecommunications showing date of the note(s), amount, maturity, interest rate, and use of loan proceeds; a schedule of short-term borrowings by Company showing date, amount, maturity, interest rate, and use of proceeds; and a balance sheet reflecting the action taken; and

6) That this matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA940011
JUNE 24, 1994

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 requesting authority to dispose of utility assets consisting of the East Winchester substation property (the "Property") comprised of 2.254 acres along Virginia Route 656 in Frederick County, Virginia. Company states that this Property is no longer needed to provide electric service to its Virginia customers.

Company states that in 1983, PE placed into operation its new Greenwood 138-12.47 KV substation to serve the Winchester, Virginia area. The completion of this new substation allowed Company to retire its existing East Winchester substation, which was dismantled and taken out of service in 1989.

Because it is no longer needed to provide electric service to customers, Company management authorized the sale of the former East Winchester substation site, subject to certain reserved rights of way for existing and planned electric facilities, to the highest bidder. The property was advertised for sale in a local newspaper.

PE represents that it received five (5) bids for the property in response to its ad. The highest bid was made by Jasbo, Inc. Jasbo, Inc. offered to purchase the former East Winchester substation property subject to the reserved easements for a price of $5,151.00. The book cost of the Property is $5,226.30, and the appraised value on February 4, 1993, was $31,500.00.

In justifying acceptance of a bid significantly lower than the appraised value of $31,500.00, Applicant referred to the fact that the $31,500.00 appraisal failed to consider the diminution in market value caused by the reserved easements for the electric facilities. A number of electric transmission and distribution lines essentially bisect the Property.

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 sale of utility assets at the price of $5,151.00 will 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 of the Code of Virginia, Applicant is hereby authorized to sell the Property 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 the action taken pursuant to the authority granted herein on or before August 31, 1994, 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 this Commission.

CASE NO. PUA940012
JULY 22, 1994

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, 1994.

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. 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, 1994.

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 approximately $177 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. In response to Staff inquiries, 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. 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, 1994, through December 31, 1994;

2) That should Applicant desire to continue the above- described arrangement beyond December 31, 1994, a new application for approval shall be filed with the Commission;

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 authority to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia;

6) 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

7) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940013
JULY 29, 1994

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, and West Virginia Power and Transmission Company, (collectively referred to as the "Affiliates").

As stated in the application, West Penn Power Company, Monongahela Power Company, 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 Affiliates are affiliated interests as defined under § 56-76 of the Code of Virginia.

In its application, PE requests approval for the Agreement dated November 3, 1993. The Agreement updates a tax allocation agreement dated June 13, 1963, to reflect changes requested by the Securities and Exchange Commission ("SEC") pursuant to a 1993 audit of Allegheny Power Service Corporation. The changes reflected in the Agreement are based on amendments made to the Public Utility Holding Company Act and conform with the requirements of SEC Rule 45(c). 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 was filed with SEC on December 8, 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 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. PUA940016
JUNE 21, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of agreement with affiliates

ORDER GRANTING APPROVAL

On April 26, 1994, Virginia Electric and Power Company ("Virginia Power," "Company," "Applicant") filed an application under the Public Utilities Affiliates Act requesting the Commission to authorize the extension of Virginia Power's Employee Financing for Energy Efficiency Measures Program (the "Program") to employees and retirees of Dominion Resources, Inc. ("DRI"), Dominion Energy, Inc. ("Energy"), Dominion Capital, Inc. ("Capital") and Dominion Lands, Inc. ("Lands"), (collectively referred to as "DRI and Subsidiaries").

On June 1, 1993, Virginia Power initiated an Employee Financing for Energy Efficiency Measures Program which provides interest-free financing to employees of Virginia Power for energy efficiency improvements to the employee's home, such as the installation of high efficiency heat pumps, weatherization improvements and/or purchases of major high efficiency electric appliances. Loans range from $600 to a maximum of $10,000 for terms of up to sixty (60) months. Only one (1) loan per family per primary residence is allowable.

Company is proposing to extend the Program currently provided to employees and retirees of Virginia Power to employees and retirees of DRI and Subsidiaries. The Program is currently administered by Virginia Power. Company states that no additional resources will be needed to extend the Program to DRI and Subsidiaries. The loan balance carrying costs will be borne by the shareholders of DRI. The costs of administering the Program will be tracked and billed to DRI in a manner approved by the Commission under the June 1986 cost allocation and service agreement between Virginia Power and DRI. Company states that amounts billed under the Program will be retained by DRI and will not be reallocated back to Virginia Power. Thus, Company's ratepayers will be unaffected.

Virginia Power represents that the extension of Company's Program to employees and retirees of DRI and Subsidiaries encourages them to better weatherize their homes and facilitates their installation and use of high efficiency heat pumps and major electric appliances. Company further states that the Program further promotes the conservation goals of Virginia Power's energy efficiency programs.

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 Virginia Power and DRI and Subsidiaries 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 to extend the Virginia Power Employee Financing for Energy Efficiency Measures Program to employees and retirees of Dominion Resources, Inc., Dominion Energy, Inc., Dominion Capital, Inc., and Dominion Lands, Inc., as described herein;

2) That the approval granted herein shall be subject to the same restriction as to maximum number of participants as set forth in the Commission's Order dated August 17, 1983 in Case No. PUE930031 in that the maximum number of total participants in the Program shall not exceed the limit set forth in Case No. PUE930031;

3) That the approval granted herein shall in no way be deemed to include recovery of any costs or charges for ratemaking purposes;

4) That any changes in the terms and conditions of the Program from those described herein, as such changes affect Applicant and DRI and Subsidiaries, 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 this Commission, pursuant to § 56-79 of the Code of Virginia;

7) That Applicant shall file a report with the Director of Public Utility Accounting by April 1 of each year for the preceding calendar year, the first of which shall be filed on or before April 1, 1995, such report to include total carrying costs of the loan balances and costs of administering the Program billed to DRI; and

8) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940017
JUNE 23, 1994

APPLICATION OF
UNITED CITIES GAS COMPANY

For approval of real property lease agreement

DISMISSAL ORDER

On April 28, 1994, United Cities Gas Company ("United Cities", "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval for a real property lease agreement effective September 1, 1994, under which Applicant would lease certain premises from UCG Energy located in Hannibal, Missouri. United Cities planned to use the premises as the local town center. Applicant stated in its application that it did not plan to allocate any of the expenses related to the lease agreement to its Virginia ratepayers.

By letter dated June 13, 1994, United Cities advised that due to the fact that costs for the project were underestimated, the floods in the area resulted in an abundance of work for contractors, and the feeling that a reconsideration of the needs of local service towns would be in order, Applicant has decided not to proceed with the facility and reevaluate the need and cost for the 1995 budget year. Applicant requests withdrawal of its application filed on April 28, 1994.

On consideration whereby, IT IS ORDERED that there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940018
JUNE 24, 1994

APPLICATION OF
ALPHA WATER CORPORATION

For authority to transfer utility assets

ORDER GRANTING AUTHORITY

On April 29, 1994, Alpha Water Corporation ("Alpha," "Company") filed an application under the Utility Transfers Act requesting expedited approval of a proposed transfer of certain of its assets to King George County Service Authority ("King George"). These assets are used to provide water service to approximately 686 customers located in the County of King George, Virginia ("King George County").

Alpha is organized as a Virginia public service company and owns and operates five (5) water distribution systems within King George County. King George has determined to acquire or condemn all of the privately-owned water and sewer systems located within King George County in order to have a unified system. Company has agreed to sell to King George the assets used to provide water service to customers of the following systems: King George Courthouse System, Ninde's Store System, Circle System, St. Paul's Church System, and Oakland Park System. Alpha requests expedited approval to allow King George to obtain adequate and reasonably priced funds. Subsequent to the transfer, King George will provide water service to the customers in the above-referenced systems.

Company states that the assets to be transferred include all real estate; easements and rights-of-way; wells; buildings; pumps; lagoons; treatment and storage facilities; distribution mains, valves, and meters; materials and supplies inventories; water revenue accounts receivable; licenses; permits; and certificates of authority. The sales price of the assets to be transferred is $930,600.00.

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 King George the utility assets described herein at the price of $930,600.00;

2) That, on or before August 31, 1994, 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. PUA940019
JULY 25, 1994

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For approval of a lease of certain facilities from an affiliate

ORDER GRANTING APPROVAL

On May 2, 1994, Delmarva Power and Light Company ("Delmarva," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for approval of a lease of certain facilities from an affiliate, Prices Corner Self-Storage Company ("PCSS," "Affiliate").

In its application, Delmarva states that it currently leases approximately 59,000 square feet of office space in the Christiana Building of the University Plaza Office Park in New Castle County, Delaware, from an unaffiliated third party, pursuant to two (2) leases, one dated November 4, 1991, for 57,928 square feet (the "Initial Lease") and the other dated September 30, 1992, for 836 square feet (the "Subsequent Lease"), (collectively referred to as the "Leases").

Company states that the Initial Lease expires in February 1997 but allows for five (5) one-year renewals at Delmarva's option. The Initial Lease grants Delmarva an option to purchase the Christiana Building at market value. For the remaining term, the Initial Lease provides for the following rental rates: $13.86 per square foot from March 1994 to February 1995; $15.38 per square foot from March 1995 to February 1996; and $16.80 per square foot from March 1996 to February 1997.

The Initial Lease also gives Company a right of first offer to rent the balance of the space in the Christiana Building (approximately 20,000 square feet) at market rates. The Subsequent Lease is currently on a month-to-month basis at a rental of $209 per month.

As stated in the application, PCSS is a corporation organized under the General Corporation Law of the State of Delaware on June 26, 1987, to engage in non-utility real estate-related development projects. PCSS is an affiliate of Company in that certain officers of Company are also officers or members of the Board of Directors of PCSS.

PCSS proposes to purchase the Christiana Building from the current owner, take an assignment of the Leases, and have Delmarva enter into an addendum to amend and extend the Initial Lease (the "Addendum"). The current owner of the Christiana Building is involved in bankruptcy proceedings, and PCSS wishes to complete the acquisiton expeditiously to resolve the uncertainty created by the existence of those proceedings.

Company states that the Addendum will not change the existing rental rates for the remaining term of the Initial Lease. The Addendum will commit Company to lease the office space for an additional two (2)- year and five (5)- month term. The rental rates for this extension period will be subject to increase annually based upon a survey of market rents for similar properties with each annual increase, if any, capped at two per cent (2%).

Delmarva represents that the existing purchase and renewal options contained in the Initial Lease will not change. The right of first offer for the additional 20,000 feet of office space will be amended to provide that rental of any of that space by Company will be at the same rental rate per square foot as that in the Initial Lease, as amended, for the office space.

Company states that Delmarva ratepayers are currently paying approximately $24,160 of the $805,390 annual lease expense and would pay a proportionate amount of the annual lease expense through July 1999. Company also states that compared with rate base treatment, the proposed transaction will not increase Delmarva's cost of serving its Virginia customers. Delmarva has provided an analysis showing the revenue requirements of leasing compared to owning. The analysis shows a leasing advantage of approximately $227,776.

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 lease transaction 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, Delmarva is hereby granted approval to enter into the lease transaction with PCSS as described herein;

2) That the approval granted herein shall not be deemed to include approval of recovery of any costs or charges for ratemaking purposes;

3) That should there be any changes in the terms and conditions of the Leases and the Addendum from those described herein, Commission approval shall be required for such changes;

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. PUA940020
JULY 22, 1994

APPLICATION OF
SHAWNEE WATER COMPANY

For authority to transfer facilities to Twin Coves Water Works, Inc.

ORDER GRANTING AUTHORITY

On May 16, 1994, Shawnee Water Company ("Shawnee," "Company," "Applicant") filed an application with the Commission under the Utility Transfers Act for authority to transfer utility facilities to Twin Coves Water Works, Inc. ("Twin Coves", "Purchaser"). Shawnee Water Company is a Virginia public service corporation, which was incorporated on February 20, 1981. Shawnee provides water to several small subdivisions adjacent to Smith Mountain Lake in Franklin County, Virginia. Company proposes to sell a portion of its land, facilities, and equipment to Twin Coves, a Virginia corporation organized to provide water service in accordance with a Purchase Agreement dated as of January 1, 1994 (the "Agreement").

Shawnee Water Company serves less than fifty (50) customers and, therefore, is not a "public utility" for purposes of the Utility Facilities Act. Shawnee also is not subject to rate regulation since Company does not fall under the statutory definition of a "public utility" under § 56-265.1(b)(1) of the Code of Virginia.

Twin Coves proposes to acquire that portion of Shawnee's land and equipment used in connection with water service provided to residents of two subdivisions presently served by Shawnee, at Smith Mountain Lake, in Franklin County, Virginia, namely Twin Coves Subdivision and Hales Ford Estates (collectively referred to as the "Subdivisions"). In accordance with the terms of the Agreement, each of the residents of the Subdivisions to be served by Twin Coves will be given an opportunity to purchase an equal interest in Twin Coves.

The proposed transaction in large part responds to concerns raised by the Virginia Department of Health, Office of Water Programs (the "Health Department"). Company states that a number of water quality problems have been experienced in recent months. Company further states that despite diligent efforts, it has become apparent that expensive modifications and improvements will be necessary.

The Agreement requires Twin Coves, as purchaser, to provide water service to the existing customers of Shawnee in the Subdivisions and to provide water service to existing or future residences located in such Subdivisions in accordance with all applicable water quality standards at reasonable rates. Twin Coves also is required to remedy all current deficiencies noted by the Health Department in accordance with all applicable directives, orders, regulations, ordinances, and laws. The Health Department supports the proposed transfer.

As stated in the application, Shawnee also maintains a separate well and facilities used in connection with water service provided to residents of the Key Lakewood Subdivision, a subdivision adjacent to Smith Mountain Lake but located in a different area of Franklin County. Company will continue to own and operate real estate, easements, transmission facilities, and other property associated with water service provided to residents of the Key Lakewood Subdivision. Company represents that the Key Lakewood Subdivision is not experiencing the same problems as the Subdivisions and will not be affected by the proposed transfer.

Company anticipates that a new well, as well as other improvements, may be necessary in order to respond to water quality deficiencies noted by the Health Department. Because the Shawnee water system requires substantial improvements, no money is being paid by Purchaser to Shawnee, except for the cost of acquiring a new well lot from Shawnee. As the primary consideration to Shawnee is Twin Coves' contractual understandings described above, the only acquisition cost to Purchaser will be the cost of acquiring land known as Well Lot No. 3 ("No. 3"). Under the Agreement, one of the conditions of the proposed transaction is Twin Coves' ability to acquire No. 3 at a purchase price not to exceed $3,500.00, which Company and Twin Coves deemed to be a fair value. Shawnee has acquired Well Lot No. 3 and, upon consummation of the Agreement, will transfer No. 3 to Twin Coves at the cost of $3,500.00. It is contemplated that Purchaser will install a new well on No. 3.

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 Virginia Code, Applicant is hereby authorized to transfer the utility assets described herein to Twin Coves for the cost of acquiring Well Lot No. 3, or $3,500.00;

2) That, on or before September 30, 1994, Applicant shall file a report of the action taken pursuant to the authority granted herein, such report to include the price paid for Well Lot No. 3, the date of transfer of assets, 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. PUA940021
NOVEMBER 7, 1994

APPLICATION OF
THE POTOMAC EDISON COMPANY

For authority to dispose of utility assets

ORDER GRANTING AUTHORITY

On May 31, 1994, The Potomac Edison Company ("PE," "Company," "Applicant") filed an application with the Commission under the Utility Transfers Act requesting authority to donate certain property (the "Property") to the Winchester Medical Center for future use, subject to easements to be reserved. Company states that in 1991, PE placed into operation its new West Winchester No. 1, 138 kv substation providing service to the west side of the City of Winchester, Virginia and surrounding areas. The completion of this new substation allowed Company to retire its existing West Winchester substation which was dismantled and taken out of service in 1992.

PE states that it presently owns the West Winchester substation lot which is comprised of .581 acres located on the west side of Linden Drive in the City of Winchester, Virginia. A number of electric lines are located on the Property which reduces its market value. Company represents that the Property is no longer needed to provide electric service to its Virginia customers.

The property and facilities of the Winchester Medical Center are located adjacent to the Property. The Winchester Medical Center has requested that the Property be donated to them for future use. PE has agreed to transfer the Property subject to reserved easements for the electric facilities on the Property to the Winchester Medical Center for no consideration.

Company states that the book cost of the Property is $2,517. The Property was appraised on October 22, 1992, at a value of $1,000. The Property is valued by the Commission for electric utility purposes at $29,000.

Company has further represented that PE will not incur any costs for the removal or relocation of the power lines on the Property. The Property will be given to the Winchester Medical Center reserving to Company easements for the location and operation of the electric lines. Any removal or relocation of these facilities would be at the expense of the Winchester Medical 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 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 Virginia Code §§ 56-89 and 56-90, The Potomac Edison Company is hereby authorized to donate the .581 acre parcel of land situated on the west side of Linden Drive in the City of Winchester, Virginia, formerly the site of its West Winchester substation to the Winchester Medical Center for no consideration;

2) That the authority granted herein shall not in any way be deemed to include recovery of any costs or charges in connection with the authorized transaction;

3) That, on or before January 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 the Commission.

CASE NO. PUA940022
NOVEMBER 30, 1994

APPLICATION OF
C&P SUFFOLK WATER COMPANY

For approval of the acquistion of water systems

ORDER GRANTING APPROVAL

C&P Suffolk Water Company ("C&P Suffolk," "Company," "Applicant") has filed an application with the Commission under the Utility Transfers Act requesting approval of the acquisiton of three (3) water systems: Lake Meade, Lake Forest, and S. L. Hines, known as Truckstop (collectively referred to as the "Water Systems"). Company represents that Lake Meade and Lake Forest were purchased by Company on May 5, 1993. Truckstop was purchased on April 1, 1993. All three (3) water systems are located within the City of Suffolk, Virginia. Lake Meade has approximately twenty-two (22) users, Lake Forest has approximately fifty (50) users, and Truckstop has approximately eighty-five (85) users. In the acquistion, C&P Suffolk acquired the entire working systems (i.e., property upon which the wells are located, all necessary equipment and hardware associated with the wells and the distribution of water, the customer list, certificates, and franchises).

In its application, C&P Suffolk states that even though the purchase of Lake Meade and Lake Forest by Company took place on May 5, 1993, Company has operated Lake Forest and Lake Meade since April 1, 1993. Truckstop has been operated by Company since January 1, 1993, even though the purchase took place on April 1, 1993. The Water Systems have been in operation for a substantial amount of time prior to Company taking ownership.

Company provides, in its application, the purchase price of Lake Meade and Lake Forest as $21,600. The terms of the sale were cash. Company states that the purchase price was a result of the negotiations between C&P Suffolk and G. P. Jackson, owner of Lake Meade and Lake Forest. The purchase price for Truckstop was $34,914. The entire balance was financed by Sidney L. Hines, Jr., owner of Truckstop. The loan will be amortized over four (4) years at 6.25% interest payable in semi-annual installments of $5,000. Company states that the purchase price was the result of negotiations between Company and Sydney L. Hines, Jr. Company represents that there were no affiliations between Company and S. L. Hines, Jr. which would have influenced the negotiated purchase price.

C&P Suffolk states that due to the expertise of its principals, Ted W. Christian and David D. Pugh, Company will be in a position to operate and manage the Water Systems. Company states that it has been able to continue to provide adequate service to the public at just and reasonable rates since its acquisition of the Water Systems. Company further states that the service the public currently receives will not be impaired or jeopardized by the transfer.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets will not impair or jeopardize the provision of adequate service to the public at just and reasonable rates and such transfer should be approved. Accordingly,

IT IS ORDERED:

1) That C&P Suffolk is hereby granted approval, pursuant to § 56-89 of the Code of Virginia, of the acquisition of the Water Systems under the terms and conditions as described herein;

2) That the approval granted herein shall have no ratemaking implications; and

3) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940024
AUGUST 26, 1994

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 1994, 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-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, 1994.

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, 1994, 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, 1994, 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 28, 1995, 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. PUA940028
DECEMBER 22, 1994

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For approval of the transfer of certain utility facilities to its affiliate

ORDER GRANTING APPROVAL

On July 1, 1994, Commonwealth Gas Services, Inc. ("Commonwealth," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act and the Utility Transfers Act requesting approval effective July 1, 1994, for the transfer of certain utility facilities to its affiliate, Commonwealth Propane, Inc. In its application, Commonwealth requests approval of the transfer of the following utility facilities (the "Facilities") located in Portsmouth, Virginia: one (1) 90,000 gallon propane tank, three (3) 30,000 gallon propane tanks, and six (6) propane transfer pumps for the net book value as of May 31, 1994, of $17,266.87. Commonwealth states that the Facilities have been used in connection with Company's provision of metered propane service to residential customers under certain limited circumstances. Company represents that the Facilities are no longer useful to Company and could be used by Propane in connection with its business.

According to the Agreement, the 90,000 gallon propane tank will be transferred with approximately 80,100 gallons of propane left in it. Propane will deliver to Commonwealth an equivalent quantity of propane at no cost to Company.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transaction would be in the public interest, would not impair or jeopardize adequate service to the public at just and reasonable rates, and, therefore, should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to §§ 56-77 and 56-89 of the Code of Virginia, Commonwealth Gas Services, Inc. is hereby granted approval of the transfer of the Facilities to Propane as described herein, effective July 1, 1994;

2) That the authority granted herein shall have no implications for ratemaking purposes;

3) That the authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

4) That the Commission reserves the 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 February 28, 1995, Applicant shall file a Report of Action pursuant to the approval granted herein, such Report to include the selling price, date of sale, 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. PUA940029
NOVEMBER 2, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

For consent to and approval of a modification to an existing inter-company agreement with an affiliate

ORDER GRANTING APPROVAL

On July 25, 1994, Appalachian Power Company ("Company," "Appalachian," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for con- sent to and approval of a modification of an existing Inter- Company Power Agreement (the "Agreement") with Ohio Valley Electric Corporation ("OVEC") and other affiliated companies.

Company represents that OVEC is an Ohio corporation which was organized in 1952 primarily for the purpose of supplying electric energy to the United States Atomic Energy Commission (the "AEC") at its Portsmouth, Ohio, gaseous diffusion plant (the "Facility"). The AEC was abolished on January 19, 1975, and certain of its functions, including the procurement of electric power for the Facility, were transferred to, and vested in, the Administrator of the United

States Energy Research and Development Administration ("ERDA"). On October 1, 1977, all of the functions of ERDA were transferred to the Secretary of the United States Department of Energy.

Appalachian further states that OVEC subsequently entered into an Inter-Company Power Agreement,(the "Agreement"), dated July 10, 1953, with certain public utilities (the "Sponsoring Companies"), including, among others, Appalachian, Indiana Michigan Power Company ("Indiana Michigan"), Columbus Southern Power Company ("Columbus Southern"), and Ohio Power Company ("Ohio"), affiliated companies. The Agreement governed, among other things, the obligations of the Sponsoring Companies to sell supplemental power to OVEC and the rights of the Sponsoring Companies to purchase surplus power from OVEC.

The Agreement has since been modified in 1966, 1967, 1975, 1979, 1981, and 1992. By Order dated June 30, 1976, in Case No. A-497, the Commission approved the Agreement and Modification Nos. 1, 2, 3, and 4 and authorized Company to continue such contractual arrangements. By Order dated March 13, 1980, in that same case, the Commission approved Modification No. 5 and authorized Company to continue such arrangements. By Order dated September 29, 1981, in Case No. PUA810079, the Commission approved Modification No. 6 and again authorized Company to continue the contractual arrangements. By Order dated October 14, 1992, in Case No. PUA920026, the Commission approved Modification No. 7 and authorized Company to continue such contractual arrangements.

The parties to the Agreement have entered into Modification No. 8, dated January 19, 1994, and the parties are seeking appropriate approval from the Federal Energy Regulatory Commission (the "FERC") and from all state regulatory agencies having jurisdiction in the matter. Therefore, Applicant requests Commission approval of Modification No. 8 and authority to continue the contractual arrangements.

As stated in the application, Modification No. 8 effects changes in the Agreement to enable OVEC to assist a Sponsoring Company experiencing an emergency shortage of electricity. The Agreement as it currently exists does not contain any provisions regarding emergency power sales. Modification No. 8 gives OVEC and the Sponsoring Companies the flexibility to adjust quickly the Sponsoring Companies' reservations of surplus power in response to a power supply emergency.

Under the current Agreement, surplus power reservations must be established on no less than a weekly basis. Modification No. 8 would amend the Agreement to allow surplus power reservations to remain in effect for lesser periods during any Emergency Power Supply Period as defined in Modification No. 8. Modification No. 8 would also amend the Agreement to allow OVEC to recover an emergency power surcharge from one (1) or more Sponsoring Companies. Company represents that because a reduction in load at the Facility causes DOE to incur additional costs, DOE conditions any emergency release of additional capacity on OVEC's agreement to reimburse DOE for those additional costs. The Agreement, however, does not currently provide for the Sponsoring Companies to reimburse OVEC for load reduction costs paid to DOE. Modification No. 8's emergency power surcharge would allow OVEC to recover that expense from the Sponsoring Companies which receive the emergency power. Appalachian's share of the emergency power surcharge would be based on the amount of its reserved capacity attributable to such load reduction.

In its application, Appalachian requests approval of Modification No. 8 retroactively as of January 19, 1994. On that date, with OVEC's consent, DOE released capacity in order to alleviate a power supply emergency that several Sponsoring Companies were experiencing. The emergency was due to extremely cold weather throughout the midwestern and eastern portions of the United States. DOE continued to release capacity until the emergency subsided by the end of the day on January 21, 1994.

As a condition of releasing capacity, DOE required OVEC to agree to pay DOE's estimated load reduction expenses. In addition, during the emergency, OVEC adjusted the surplus power reservations of the Sponsoring Companies in accordance with their directions. After January's events, however, OVEC and the Sponsoring Companies realized that an amendment to the Agreement was required to bill for the surplus power released during the emergency, and Modification No. 8 was the result.

As of the date of filing, two (2) of the corporate directors of Appalachian are also directors of OVEC, four (4) are directors of Columbus Southern, five (5) are directors of Indiana Michigan, and five (5) are directors of Ohio. Accordingly, OVEC, Indiana Michigan, Columbus Southern, and Ohio are affiliated interests of Appalachian within the meaning of § 56-76 of the Code of Virginia.

In response to Staff inquiries, Appalachian represents that the surplus energy made available to the Sponsoring Companies, including Appalachian, is quite economical and, therefore, beneficial to the Sponsoring Companies and to their customers.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of Modification No. 8 to the above-described Inter-Company Power Agreement and Company's continued participation in the contractual arrangements would be in the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, Appalachian Power Company is hereby granted approval of Modification No. 8 of the Inter-Company Power Agreement as described herein and to continue the contractual arrangements as described herein;

2) That any further modifications to the Agreement shall require Commission approval;

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 right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia;

6) That Applicant shall continue to file a report with the Director of Public Utility Accounting by March 1 of each year, showing power billings for the preceding calendar year pursuant to the approval granted herein;

7) That such power billings shall include the supplemental power sold to OVEC by Company and surplus power sold to Company, as well as charges to Company for emergency power separated as to emergency power surcharge and demand charge; and

8) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940030
NOVEMBER 2, 1994

APPLICATION OF
THE POTOMAC EDISON COMPANY

For consent to and approval of a modification to an existing inter-company agreement with an affiliate

ORDER GRANTING APPROVAL

On July 25, 1994, The Potomac Edison Company ("Company," "Potomac," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for con sent to and approval of a modification of an existing Inter-Company Power Agreement (the "Agreement") with Ohio Valley Electric Corporation ("OVEC") and other affiliated companies.

Company represents that OVEC is an Ohio corporation which was organized in 1952 primarily for the purpose of supplying electric energy to the United States Atomic Energy Commission (the "AEC") at its Portsmouth, Ohio, gaseous diffusion plant (the "Facility"). The AEC was abolished on January 19, 1975, and certain of its functions, including the procurement of electric power for the Facility, were transferred to, and vested in, the Administrator of the United States Energy Research and Development Administration ("ERDA"). On October 1, 1977, all of the functions of ERDA were transferred to the Secretary of the United States Department of Energy.

Potomac further states that OVEC subsequently entered into an Inter-Company Power Agreement,(the "Agreement"), dated July 10, 1953, with certain public utilities (the "Sponsoring Companies"), including, among others, Potomac, West Penn Power Company ("West Penn") and Monongahela Power Company ("Monongahela"), affiliated companies. The Agreement governed, among other things, the obligations of the Sponsoring Companies to sell supplemental power to OVEC and the rights of the Sponsoring Companies to purchase surplus power from OVEC.

The Agreement has since been modified in 1966, 1967, 1975, 1979, 1981, and 1992. By Order dated June 30, 1976, in Case No. A-498, the Commission approved the Agreement and Modification Nos. 1, 2, 3, and 4 and authorized Company to continue such contractual arrangements. By Order dated March 13, 1980, in that same case, the Commission approved Modification No. 5 and authorized Company to continue such arrangements. By Order dated September 29, 1981, in Case No. PUA810078, the Commission approved Modification No. 6 and again authorized Company to continue the contractual arrangements. By Order dated October 14, 1992, in Case No. PUA920028, the Commission approved Modification No. 7 and authorized Company to continue such contractual arrangements.

The parties to the Agreement have entered into Modification No. 8, dated January 19, 1994, and the parties are seeking appropriate approval from the Federal Energy Regulatory Commission (the "FERC") and from all state regulatory agencies having jurisdiction in the matter. Therefore, Applicant requests Commission approval of Modification No. 8 and authority to continue the contractual arrangements.

As stated in the application, Modification No. 8 effects changes in the Agreement to enable OVEC to assist a Sponsoring Company experiencing an emergency shortage of electricity. The Agreement as it currently exists does not contain any provisions regarding emergency power sales. Modification No. 8 gives OVEC and the Sponsoring Companies the flexibility to adjust quickly the Sponsoring Companies' reservations of surplus power in response to a power supply emergency.

Under the current Agreement, surplus power reservations must be established on no less than a weekly basis. Modification No. 8 would amend the Agreement to allow surplus power reservations to remain in effect for lesser periods during any Emergency Power Supply Period as defined in Modification No. 8. Modification No. 8 would also amend the Agreement to allow OVEC to recover an emergency power surcharge from one (1) or more Sponsoring Companies. Company represents that because a reduction in load at the Facility causes DOE to incur additional costs, DOE conditions any emergency release of additional capacity on OVEC's agreement to reimburse DOE for those additional costs. The Agreement, however, does not currently provide for the Sponsoring Companies to reimburse OVEC for load reduction costs paid to DOE. Modification No. 8's emergency power surcharge would allow OVEC to recover that expense from the Sponsoring Companies which receive the emergency power. Potomac's share of the emergency power surcharge would be based on the amount of its reserved capacity attributable to such load reduction.

In its application, Potomac requests approval of Modification No. 8 retroactively as of January 19, 1994. On that date, with OVEC's consent, DOE released capacity in order to alleviate a power supply emergency that several Sponsoring Companies were experiencing. The emergency was due to extremely cold weather throughout the midwestern and eastern portions of the United States. DOE continued to release capacity until the emergency subsided by the end of the day on January 21, 1994.

As a condition of releasing capacity, DOE required OVEC to agree to pay DOE's estimated load reduction expenses. In addition, during the emergency, OVEC adjusted the surplus power reservations of the Sponsoring Companies in accordance with their directions. After January's events, however, OVEC and the Sponsoring Companies realized that an amendment to the Agreement was required to bill for the surplus power released during the emergency, and Modification No. 8 was the result.

As of the date of filing, three (3) of the corporate directors of Potomac are also directors of OVEC, West Penn, and Monongahela. Accordingly, OVEC, West Penn, and Monongahela are affiliated interests of Potomac within the meaning of § 56-76 of the Code of Virginia.

In response to Staff inquiries, Potomac represents that the surplus energy made available to the Sponsoring Companies, including Potomac, is quite economical and, therefore, beneficial to the Sponsoring Companies and to their customers.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of Modification No. 8 to the above-described Inter-Company Power Agreement and Company's continued participation in the contractual arrangements would be in the public interest and should be approved. Accordingly,

IT IS ORDERED:

1) That, pursuant to § 56-77 of the Code of Virginia, The Potomac Edison Company is hereby granted approval of Modification No. 8 of the Inter-Company Power Agreement as described herein and to continue the contractual arrangements as described herein;

2) That any further modifications to the Agreement shall require Commission approval;

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 right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission, pursuant to § 56-79 of the Code of Virginia;

6) That Applicant shall continue to file a report with the Director of Public Utility Accounting by March 1 of each year, showing power billings for the preceding calendar year pursuant to the approval granted herein;

7) That such power billings shall include the supplemental power sold to OVEC by Company and surplus power sold to Company, as well as charges to Company for emergency power separated as to emergency power surcharge and demand charge; and

8) That there appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA940031
SEPTEMBER 29, 1994

JOINT APPLICATION OF
SMITH MOUNTAIN WATER COMPANY
and
STRIPERS LANDING COMPREHENSIVE PROPERTY OWNERS ASSOCIATION, INC.

For authority to transfer utility assets

ORDER GRANTING AUTHORITY

On July 28, 1994, a joint application was filed with the Commission under the Utility Transfers Act by Smith Mountain Water Company ("Smith Mountain," "Company,") and Stripers Landing Comprehensive Property Owners Association, Inc. ("Stripers Landing," the "Association") (collectively referred to as "Joint Applicants") for authority to transfer utility assets.

In the application, it is stated that Smith Mountain has agreed to sell to Stripers Landing all of the assets used to serve the Stripers Landing community. The assets to be transferred include all water sources, pumps, storage facilities, water lines, and other components of the water distribution system located within the Stripers Landing community in the County of Franklin, Virginia, and which is comprised of the condominiums, the common areas, and all sections of the subdivision known as Stripers Landing. A sales price has been established at $9,500 for equipment and $2,500 for well lots for a total price of $12,000.

In the application, Joint Applicants have expressed an urgency in approving the transfer due to the following:

1) Smith Mountain is in a precarious financial position in that Company is currently in bankruptcy. Smith Mountain has submitted the proposed sale for review and approval by the U. S. Bankruptcy Court for the Western District of Virginia, which sale has been approved and confirmed as a part of its bankruptcy reorganization plan.

2) Stripers Landing has been operating the water system under a temporary receivership appointment from the Circuit Court of Franklin County, Virginia.

3) Immediate and extensive capital expenditures are needed to maintain adequate service to the customers.

In the application, Stripers Landing indicates that it is acting to form a public service company to be known as Stripers Landing Water Company (the "Water Company"). Stripers Landing intends to be the sole stockholder of the Water Company and anticipates that the Water Company will become the owner

and operator of the water system. The water system consists of eighty-one (81) residential units, of which eighty (80) are condominium units and one (1) is a single-family dwelling on an individual lot.

As stated in the application, the Association currently has possession of the water system and is currently managing its operation pursuant to order entered by the Circuit Court of Franklin County, Virginia, in response to a receivership petition filed by the Virginia State Health Commission. Stripers Landing states that it intends to continue its management of the Water Company in order to provide adequate service to the community at just and reasonable rates. Stripers Landing plans to make the necessary capital expenditures to upgrade the water system and increase water source capacity. The proposed sales price of $12,000 was based upon valuation of existing assets, problems associated with lack of sufficient water supply, and the amount of the lien-release payments required by Company's lender, Central Fidelity Bank.

Joint Applicants represent that in addition to the bankruptcy situation and the Company receivership petition filed by the Virginia State Health Commission, referred to earlier, there have been significant water supply problems with the water system as it currently exists. Stripers Landing represents that it is willing to take over the water system and make the necessary improvements and repairs to provide adequate service to the customers, which according to representations made in the application, is currently not being provided.

THE COMMISSION, upon consideration of the application and representations of Joint Applicants and having been advised by its Staff, is of the opinion and finds that the 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, Smith Mountain Water Company is hereby authorized to transfer the utility assets as described herein to Stripers Landing Comprehensive Property Owners Association, Inc. at a price of $12,000;

2) That, on or before November 30, 1994, Joint Applicants shall file a report of the action taken pursuant to the authority granted herein, such report to include the date of transfer, the sales price, 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. PUA940031
NOVEMBER 3, 1994

JOINT APPLICATION OF
SMITH MOUNTAIN WATER COMPANY
AND
STRIPERS LANDING COMPREHENSIVE PROPERTY OWNERS ASSOCIATION, INC.

For authority to transfer utility assets

ORDER AMENDING AUTHORITY

By Commission Order dated September 29, 1994, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Smith Mountain Water Company ("Smith Mountain, "Company") was granted authority to transfer certain utility assets to Stripers Landing Comprehensive Property Owners Association, Inc. ("Stripers Landing," the "Association") at a price of $12,000. Smith Mountain and Stripers Landing are collectively referred to here as Joint Applicants. On October 17, 1994, Joint Applicants filed a Petition to Amend Authority to Transfer Assets (the "Petition").

In the Petition, Joint Applicants request that the Commission's September 29, 1994 Order Granting Authority be amended to change the name of the transferee. Joint Applicants request that the name of the transferee be changed to read, "Stripers Landing Water Company" (the Water Company"). Joint Applicants state that the Water Company was formed by the Association as required under the Virginia Stock Corporation Act for the sole purpose of owning and operating the utility assets to be acquired by the Association upon approval of the Commission. The Association is the sole stockholder in the Water Company and desires that the assets be held in the name of the Water Company formed for that purpose.

By letter dated October 18, 1994, Joint Applicants advised that the authorized sale of assets has not been completed. Documents have been executed but no money has been delivered and no deed recorded.

THE COMMISSION, upon consideration of the Petition and representations of Joint Applicants and having been advised by its Staff, is of the opinion and finds that the above-described amendment to the Commission's September 29, 1994 Order Granting Authority to change the transferee to "Stripers Landing Water Company" 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 ordering paragraph (1) of the September 29, 1994 Order Granting Authority be and hereby is amended to read as follows:

That, pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Smith Mountain Water Company is hereby authorized to transfer the utility assets as described herein to Stripers Landing Water Company at a price of $12,000; and

2) That all other provisions of the Commission's September 29, 1994 Order Granting Authority shall remain in full force and effect.

CASE NO. PUA940032
DECEMBER 30, 1994

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 as of the date of initial installation of the carbon, under which Company will lease reactivated carbon from ACMS. 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 over the life of the Agreement is $88,963 versus $128,775 if the carbon were purchased. 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 #2A and #2B, 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 the date of initial installation of the carbon, April 18, 1994. At the end of the initial term, the Agreement will be automatically extended on a month-to-month basis unless and until either party provides not less than thirty (30) days prior written notice to the other of termination. 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 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 and 56-89 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 April 18, 1994;

3) That any renewals or extensions of the Agreement beyond April 18, 1997, 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, 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, §§ 56-76 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. PUA940034
OCTOBER 21, 1994

PETITION OF
LDDS COMMUNICATIONS, INC.

To acquire control of WilTel, Inc., WilTel of Virginia, Inc., and for approval of related transactions

ORDER GRANTING AUTHORITY

On August 25, 1994, LDDS Communications, Inc. ("LDDS"), the Williams Companies, Inc. ("Williams"), WTG Holdings, Inc. ("WTG Holdings"), Williams Telecommunications Group, Inc. ("WTG"), WilTel, Inc. ("WilTel"), WilTel of Virginia, Inc. ("WilTel VA") filed a petition pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia seeking authority for LDDS to acquire control over WilTel of Virginia, Inc. by means of purchasing all the shares of WilTel VA's parent companies. The resulting merged corporation will be the fourth largest interexchange carrier in the United States.

The Petition states that the transaction will be implemented pursuant to the terms of a Stock Purchase Agreement entered into August 22, 1994 between Williams and LDDS. Pursuant to the agreement, LDDS will purchase all rights, title and interest in the shares of WTG from WTG Holdings, Inc. After the purchase is consummated, WTG will become a wholly-owned subsidiary of LDDS and WilTel VA, while remaining a wholly-owned subsidiary WilTel, will ultimately be owned and controlled by LDDS rather than by Williams. As consideration for its surrender of WTG's stock, Williams will receive $2.5 billion dollars in cash. A large portion of that payment is to be financed through a Credit Facility Agreement discussed in the petition. If the interexchange carriers involved here were regulated as to rates and services pursuant to Chapter 10 of Title 56 of the Code of Virginia, the Commission would have to approve the issuance of debt or securities pursuant to Chapter 3 of Title 56 of the Code of Virginia, §§ 56-55 et seq. However, the rates and services of interexchange carriers are determined pursuant to § 56-481.1 of the Code of Virginia, so their issuing debt and securities does not fall within the definition of public service companies contained in § 56-55 of the Code of Virginia.

LDDS is a publicly owned Georgia corporation whose principal office is located at 515 East Amite Street, Jackson, Mississippi 39201. LDDS currently has a subsidiary, Metromedia Communications Corporation of Virginia ("MCC of VA") which offers Inter-LATA, interexchange services within Virginia pursuant to Certificate No. TT-4D issued pursuant to the provisions of § 56-265.4:4.B of the Utility Facilities Act. The current petition seeks to add, as another subsidiary, WilTel VA, which offers Inter-LATA interexchange services within Virginia pursuant to Certificate No. TT-19A, which was also issued pursuant to the provisions of § 56-265.4:4.B. The acquisition or disposal of this certificated carrier as a result of the proposed purchase evokes the jurisdiction of the Commission pursuant to § 56-88.1 of the Utility Transfers Act.

Under the criteria of § 56-90 of the Utility Transfers Act, the Commission finds that the request for authority should be granted. Section 56-90 requires that the Commission be satisfied "... that adequate service to the public at just and reasonable rates will not be impaired or jeopardized ...." The acquisition of control of an interexchange, Inter-LATA carrier the size of WilTel VA will not impair or jeopardize adequate service at just and reasonable rates. The market for Inter-LATA, long distance service within Virginia is quite competitive. Even in the unlikely event that WilTel VA, under the control of LDDS, suffered a lapse of quality or increased rates to levels deemed unjust and unreasonable, affected customers could readily switch to a competitive carrier. The proposed merger is intended to strengthen WilTel of VA and should not jeopardize or impair service or rate levels in the overall long distance market.

The petition states that by combining their operations, both WilTel and LDDS will be able to operate more efficiently; that by combining their traffic on the WilTel network, they will achieve significant economies of scale; and that by combining their product lines and capabilities, both companies can realize significant economies. The proposed transfer will enable both companies to significantly reduce their costs of operation and introduce services that are attractive to all portions of the interexchange market. The petition states that this will directly benefit existing and future customers of LDDS, WilTel and WilTel VA and will benefit all telecommunications consumers indirectly by strengthening competition in the interexchange market.

The Petition states that initially, WilTel VA will be operated separately from LDDS's other subsidiaries. Customers will continue to be able to purchase the same high quality products and services from WilTel VA that they currently receive under the same rates, terms and conditions. In the event that in the future LDDS wishes to alter the corporate status of either of its Virginia subsidiaries, LDDS must abide by Article IX, Section 5 of the Virginia Constitution which prohibits foreign corporations from conducting a public service enterprise within Virginia. Hence, Virginia intrastate operations must continue to be performed by a Virginia chartered public service corporation in order to retain a certificate of public convenience and necessity and in order to avoid the prohibition of Article IX, Section 5 of the Virginia Constitution. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the disposition and acquisition of WilTel VA, as described herein is approved;

(2) That LDDS, Williams, WTG Holdings, Inc., WTG, WilTel, and WilTel VA are authorized to enter into their proposed agreement for the transfer of control of WilTel VA to LDDS pursuant to Chapter 5, Title 56 of the Code of Virginia and to do all acts necessary or incidental thereto in accordance with the petition filed herein;

(3) That LDDS and WilTel VA shall respond promptly to any Staff request for information in connection with this matter and to the quarterly monitoring reports required by the Commission's Rules Governing the Certification of InterLATA, Interexchange Carriers;

(4) That a report of action, pursuant to the authority granted herein shall be filed no later than February 28, 1995; and

(5) That there being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUA940042
DECEMBER 20, 1994

APPLICATION OF
TIDEWATER WATER COMPANY-ISLE OF WIGHT

For authority to convey assets

ORDER GRANTING AUTHORITY

On November 4, 1994, Tidewater Water Company-Isle of Wight, which includes Aqua Systems, Inc. ("Company," "Tidewater," "Applicant") filed an application with the Commission under the Utility Transfers Act for authority to convey certain assets in Isle of Wight County, Virginia, to the Public Service Authority of Isle of Wight County, Virginia ("Isle of Wight"). Company states in its application that it desires to convey all of its assets in Isle of Wight County including water well lots, easements, and distribution facilities for the sum of $805,000.00. Company further proposes to sell the Assets in return for municipal notes of Isle of Wight County, Virginia, paying the purchase price over seven (7) years at 5.25% interest per annum.

Company states that the assets proposed to be conveyed to Isle of Wight have been used by Tidewater to provide residential water service to numerous locations in Isle of Wight, County, all of which locations are covered by Certificates of Public Convenience and Necessity. Company anticipates that Isle of Wight will continue to provide water service to the customers now being served by Company under the terms and conditions that it will from time to time impose.

Tidewater states that the original cost of the Assets is unknown. The value of the Assets was determined by Hassel and Folks, Engineers to be $1,000,016 by appraisal dated January 19, 1991, and an appraisal of Robert A. Peters determined the Assets to have a value of $1,000,040 as of March 19, 1994.

Company represents that it believes that Isle of Wight is a fit and proper entity to provide the customers of Tidewater continued water service at just and reasonable rates, as they have a history of doing so for other customers and because the expansion of such services is in its short and long range plans. Company further represents that the owner of Tidewater, Robert L. Magette, desires to divest himself of the Assets as an ongoing strategy to reduce his responsibilities in this business.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the 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 $805,000.00;

2) That, on or before February 28, 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 this Commission.

CASE NO. PUA940043
DECEMBER 22, 1994

PETITION OF
MFS COMMUNICATIONS COMPANY

To acquire Virginia MetroTel, Inc.

ORDER GRANTING AUTHORITY

On November 2, 1994, MFS Communications Company, Inc. ("MFSCC") and Virginia MetroTel, Inc. ("MetroTel") filed a petition pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia, seeking authority for MFSCC to acquire control over MetroTel by means of purchasing all of the outstanding common stock of MetroTel.

The petition states that the transaction would be implemented pursuant to the terms of a Stock Purchase Agreement which is attached to the petition as Exhibit C. Pursuant to the agreement, MFSCC will acquire all of the issued and outstanding shares of common stock of MetroTel from the stockholders of MetroTel in exchange for common stock of MFSCC and cash. After the purchase is consummated, MetroTel will be owned and wholly controlled by MFSCC.

MFSCC is a Delaware corporation, with the Kiewit Diversified Group, Inc. holding approximately 69% of the stock and the public holding the remainder. The corporate offices of MFSCC are located at 3555 Farnam, Suite 200, Omaha, Nebraska 68131. MFSCC currently has a subsidiary, Institutional Communications Company-Virginia, which offers InterLATA, Interexchange services in Virginia pursuant to Certificate No. TT-13A issued pursuant to the provisions of § 56-265.4:4.B of the Utility Facilities Act. The current petition seeks to add, as another subsidiary, MetroTel, which offers InterLATA, Interexchange services in Virginia pursuant to Certificate No. TT-20A, which was also issued pursuant to the provisions of § 56-265.4:4.B. The acquisition of this certificated carrier as a result of the proposed purchase evokes the jurisdiction of the Commission pursuant to § 56-88.1 of the Utility Transfers Act.

Under the criteria of § 56-90 of the Utility Transfers Act, the Commission finds that the request for authority should be granted. Section 56-90 requires that the Commission be satisfied "... that adequate service to the public at just and reasonable rates will not be impaired or jeopardized ..." The acquisition of control of an interexchange, Inter-LATA carrier the size of MetroTel will not impair or jeopardize adequate service at just and reasonable rates. The market for Inter-LATA, long distance service within Virginia is quite competitive. Even in the unlikely event that MetroTel, under the control of MFSCC, suffered a lapse of quality or increased rates to levels deemed unjust and unreasonable, affected customers could readily switch to a competitive carrier. The proposed merger is intended to strengthen MetroTel and should not jeopardize or impair service or rate levels in the overall long distance market.

The petition states that the proposed acquisition would serve the public interest in promoting competition among telecommunications carriers by providing MetroTel the opportunity to strengthen its competitive position with greater financial resources. The petition also states that the acquisition will allow MetroTel to draw upon the substantial combined financial, marketing and technical expertise of MFSCC and its subsidiaries and that the acquisition would allow MetroTel to pursue its marketing and business plans more effectively.

The petition states that after the acquisition, MetroTel will continue to offer high quality service to Virginia customers and that MetroTel plans to maintain its presence in Virginia. In the event that MFSCC wishes to alter the corporate status of either of its Virginia subsidiaries, MFSCC must abide by Article IX, Section 5 of the Virginia Constitution, which prohibits foreign corporations from conducting a public enterprise within Virginia. Hence, Virginia intrastate operations must continue to be performed by a Virginia chartered public service corporation in order to avoid that prohibition and to retain a certificate of public convenience and necessity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the disposition and acquisition of Virginia MetroTel, Inc., as described herein, is approved;

(2) That MFSCC and MetroTel are authorized to enter into the proposed agreement for the transfer of control of MetroTel to MFSCC pursuant to Chapter 5, Title 56 of the Code of Virginia and to do all acts necessary or incidental thereto in accordance with the petition filed herein;

(3) That MFSCC and MetroTel shall respond promptly to any Staff request for information in connection with this matter and to the quarterly monitoring reports required by the Commission's Rules Governing the Certification of InterLATA, Interexchange Carriers;

(4) That a report of action pursuant to the authority granted herein shall be filed no later than March 1, 1995; and

(5) That there being nothing further to come before the Commission, this docket is closed and papers filed herein shall be placed in the file for ended causes.

CASE NO. PUA940050
DECEMBER 21, 1994

APPLICATION OF
OLD DOMINION ELECTRIC COOPERATIVE

For authority to dispose of and to acquire utility assets

ORDER GRANTING AUTHORITY

On November 23, 1994, Old Dominion Electric Cooperative ("ODEC," "Company," "Applicant") filed an application under the Utility Transfers Act for authority to enter into a sale/leaseback arrangement of pollution control equipment at its Clover Facility with an entity in The Netherlands. Company states that among the equipment being constructed at the Clover Facility are certain pollution control systems (the "Assets") which appear to be eligible for certain tax credits under a statute of The Netherlands, Vervroegde Afschrijving Milieu Investering ("VAMIL").

By transferring title to its interest in the Assets to a Dutch corporation with Dutch income tax liability (the "Dutch Lessor"), and leasing that interest back over a period of years with an option to repurchase the interest at the end of the lease term or prior to the end of the lease term under an Early Buy-Out Option, ODEC believes that it will be able to capture a percentage of the tax savings realized by the Dutch Lessor. Company states that although the proposed transaction will be structured as a sale and leaseback of ODEC's interest in the Assets, operational control of the Assets will be unaffected by the transaction. ODEC represents that in practical terms, the proposed transaction can be viewed as merely a sale of Dutch tax credits, or a financing.

As stated in the application, pursuant to VAMIL, Dutch taxpayers are allowed to take full depreciation in year one (1) on qualifying pollution control assets. The acceleration of such depreciation expense can provide economic benefits to Dutch taxpayers. According to ODEC, this program can be applied to at least some of the pollution control equipment currently under construction at the Clover Generating Station in Halifax County, Virginia. In order to realize the financial benefits under VAMIL, Company proposes to enter into a cross-border lease of its fifty per cent (50%) undivided interest in qualifying pollution control equipment being constructed at the Clover Generating Station. It is anticipated that a total of approximately $80 to $155 million of the Assets will qualify.

According to ODEC, the transaction will be structured as a sale of the Assets to the Dutch Lessor. The Assets are secured under Company's indenture covering substantially all of ODEC's physical assets (the "Indenture"). The Assets will be sold to the Dutch Lessor subject to the lien of the Indenture. During the lease term, title to the Assets will not become subject to the rights of creditors of the Dutch Lessor, and the lien of the Indenture and rights of ODEC under the lease will be respected in the event of bankruptcy of the Lessor.

As indicated in Company's application, ODEC will lease the Assets back from the Dutch Lessor for an eighteen (18)-year period, with several purchase options including an Early Buy-Out Option. To obtain the desired tax treatment in The Netherlands, the lease must be structured so that the Dutch Lessor has at least five per cent (5%) of its initial investment in the Assets at risk at the end of the lease term.

Company states that the lease will be a triple net lease, whereby ODEC will be responsible for the payment of taxes, rents, licenses, insurance, and other expenses associated with the use, possession, control, maintenance, and operation of the Assets. To protect the Dutch Lessor's after-tax yield, ODEC has agreed to be responsible for an Early Termination Penalty in the event the lease is terminated prior to the end of the lease term. The Early Termination Penalty will be equal to fifteen per cent (15%) to thirty per cent (30%) of the Assets' purchase price in the first year of the lease and will be reduced proportionately over the term of the lease.

In the application, Company further explains that to accomplish the desired U. S. tax and/or accounting treatments, ODEC will deposit with an institution acceptable to ODEC and the Dutch Lessor funds (the "Deposit") sufficient to fully defease its financial obligation under the lease. The Deposit is final, absolute, and irrevocable and will not be refundable or returnable to ODEC for any reason whatsoever including bankruptcy or insolvency. The Deposit will equal 94.5% of the initial purchase price of the Assets, representing all rental payments for the term of the lease plus funds to be invested in securities designed to provide sufficient funds to allow Company to exercise its purchase option. In exchange for the Deposit, the Defeasance Entity will assume Company's obligation to pay basic rent under the lease, and ODEC will be released by the Dutch Lessor from the same. Company states that at the close of the transaction, ODEC should realize a gain equal to five per cent (5%) to six per cent (6%) of the initial Asset purchase price (minus transaction costs).

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described 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 §§ 56-77 and 56-89 of the Code of Virginia, Old Dominion Electric Cooperative is hereby granted authority to transfer the utility assets as described herein;

2) That, on or before February 28, 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 transaction and other significant details relating to the actual transaction; and

3) That this matter shall be continued generally subject to the continuing review and appropriate directive of this Commission.

DIVISION OF COMMUNICATIONS

CASE NO. PUC900045
FEBRUARY 22, 1994

APPLICATION OF
THE CHESAPEAKE & POTOMAC TELEPHONE COMPANY OF VIRGINIA

Annual Information Filing

OPINION

On October 22, 1993, the Commission entered its Final Order in this matter, determining that for the test year 1989 the rates of The Chesapeake & Potomac Telephone Company of Virginia ("C&P") were not subject to refund pursuant to provisions of Paragraphs 19 and 20 of the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies ("Plan"). See 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, 99 PUR 4th 270 (Dec. 15, 1988). (A copy of the Commission's December 15, 1988, order in that case, with the Plan attached, is appended hereto.)

The October 22, 1993, order was entered after consideration of the evidence and exhibits received into the record during the Commission's September 23, 1993 hearing. That hearing was conducted in strict conformance with provisions of the Plan, primarily Paragraphs 16, 18, 19, 20, and 22. The need to conduct such hearing in accordance with the Plan is clearly spelled out by two orders entered July 2, 1993.

The first was the Commission's Order Scheduling Hearing in this docket. It explained that the Plan's "... terms govern this case, and a number of issues raised by the parties opposing C&P's motion are outside the terms of the Plan." For example, the order stated that one such issue, access pricing, was to be considered in a separate docket, Case No. PUC880042. That constraint is found in Paragraph 25 of the Plan.

Among other issues, the revenue impact of Actually Competitive services such as Yellow Pages Advertising was excluded pursuant to the provisions of Paragraph 20 of the Plan. Paragraph 18 of the Plan established the participating companies' authorized range for return on equity at 12%-14%. Accounting adjustments to be considered in this annual informational filing ("AIF") were prescribed by Paragraph 16 of the Plan.

Provisions of this type thus prevented ratemaking adjustments, like those proposed by the Virginia Citizens Consumer Council ("VCCC"), from being used to evaluate C&P's financial results under the terms of the Plan. It would not have been appropriate for us to allow challenges to such provisions themselves in this case due to the restrictions of Rule 5:17 of our Rules of Practice and Procedure. That Rule provides:

> *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.

Paragraph 20 of the Plan provides, as pertinent:

> If such a condition [excessive earnings] is not found to exist, the Commission, upon motion by the company, will order that the interim rates for the previous year be made permanent. All actions in this paragraph will be taken only after notice and opportunity for hearing.

C&P filed such a motion on May 14, 1992. For the purpose of Rule 5:17, such a motion was equivalent to an application, in the sense that it was the company's burden to come forward and seek the relief granted here, and to proceed to establish its case at the hearing contemplated by Paragraph 20.

Clearly, the meaning and spirit of Rule 5:17 is to prevent challenges to previously adopted generic rules and standards by parties to later cases in which those standards are being applied to actual situations. Such was the case in this proceeding. Some of the parties hereto did not believe that those standards were appropriate, and may not have believed them appropriate when first adopted. However, once adopted by a final order to which no successful appeal was taken, they become the rules of any cases affected by them, and may not be modified during the course of such cases.

Also on July 2, 1993, the Commission entered its Order for Notice and Hearing in Case No. PUC920029. That order stated that the changes proposed by parties in the current case would be considered during the evaluation of the Plan, during which prospective changes would be permissible. That order invited testimony from all participants on the appropriate return on equity range and any other issues identified for hearing. Such directives were consistent with Paragraph 5 of the Plan, which made it clear that changes to policies and procedures under the Plan would be given prospective effect only.

Only C&P and the Commission Staff submitted testimony at the September 23, 1993 hearing. The rate-of-return statement submitted by C&P showed a return on equity for the 1989 test year of 12.35%, while the Commission Staff calculated a return on equity of 12.52%. That minor difference in the return on equity resulted only from a disagreement about the proper accounting treatment for state-interstate separations according to Part 36 of the Rules of the Federal Communications Commission. This difference was of no importance to the case, however, since both equity numbers were significantly beneath the 14% limit established by Paragraph 18 of the Plan.

Inasmuch as the evidence indicated that no excessive earnings had been experienced by C&P during the test year 1989, as judged by the standards mandated by the Plan, the Commission declared the rates in effect during 1989 to be permanent, and did not order a refund. Such action was consistent with the evidence, and was fully appropriate under the above provisions of Paragraph 20 of the Plan.

Commissioner Moore did not participate in this proceeding.

NOTE: A copy of the Commission's December 15, 1988, order in that case, with the Plan attached, 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. PUC900046
APRIL 18, 1994

APPLICATION OF
GTE SOUTH, INCORPORATED

Annual Informational Filing

FINAL ORDER

On September 7, 1993, GTE South, Incorporated ("GTE South") filed its motion to make rates permanent for the 1989 test year. That motion was filed in response to an AIF report filed by the Commission Staff August 16, 1993.

By Order of September 16, 1993, the Commission prescribed notice and invited comments or requests for hearing concerning GTE South's motion. Comments were filed by MCI Telecommunications Corporation of Virginia ("MCI") and AT&T Communications of Virginia, Inc. ("AT&T").

By Order of February 10, 1994, the Commission scheduled a hearing for March 24, 1994 and established deadlines for GTE South to file its testimony supporting its motion, for MCI and AT&T to file their prepared direct testimony, for the Commission Staff to file any additional direct testimony, and for GTE South to file any rebuttal testimony. The hearing was conducted as scheduled March 24, 1993. Joe W. Foster, Esquire and Charles H. Carrathers, Esquire, appeared on behalf of GTE South; Edward L. Flippen, Esquire appeared on behalf of AT&T; Alexandra F. Skirpan, Esquire appeared on behalf of MCI, and Robert M. Gillespie, Esquire appeared on behalf of the Commission Staff.

Pursuant to a stipulation that cross-examination was not necessary, the Commission received into evidence GTE South's proof of publication marked as Exhibit A, GTE South's Cost Allocation Manual, Staff audits of GTE South's Cost Allocation Manual dated December 18, 1991 and December 21, 1992, and the Staff's AIF report dated August 16, 1993. GTE South presented the prefiled direct testimony of Mr. J. Frank Flanagan and the Commission Staff presented the prefiled direct testimony of Kimberly D. Trimble of the Commission's Division of Public Utility Accounting, Larry J. Cody of the Division of Communications, and Donna T. Pippert of the Division of Economics and Finance.

This proceeding was conducted pursuant to the terms of paragraph 20 of the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies. The sole issue was to determine if GTE had earned in excess of its authorized range of return on Potentially Competitive, Discretionary and Basic services for the year 1989. The authorized range of return on equity for all participants in the Experimental Plan is 12 to 14 percent. The rate of return statement introduced by Mr. Flanagan on behalf of GTE and by Ms. Trimble on behalf of the Commission Staff showed a return on equity for 1989 of 8.37%, which no one contested. Since that amount is well beneath the 14% limit established by paragraph 18 of the Experimental Plan, the Commission finds that during the year 1989, GTE South's tariffed services earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That GTE South's rates for the year 1989 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided by paragraphs 19 and 20 of the Experimental Plan; and

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

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC900047
APRIL 18, 1994

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC. (formerly United Inter-Mountain Telephone Company)

Annual Informational Filing

FINAL ORDER

On May 29, 1992, United Telephone-Southeast, Inc. (formerly United Inter-Mountain Telephone Company, "United") filed its motion to make rates permanent for the 1989 test year. That motion was filed in response to an AIF report filed by the Commission Staff May 18, 1993.

By Order of July 23, 1993, the Commission prescribed notice and invited comments or requests for hearing concerning United's motion. Comments were filed by MCI Telecommunications Corporation of Virginia ("MCI") and AT&T Communications of Virginia, Inc. ("AT&T").

By Order of February 2, 1994, the Commission scheduled a hearing that established deadlines for United to file its testimony in support of its motion, for MCI and AT&T to file their prepared direct testimony, for the Commission Staff to file any additional direct testimony, and for United to file any rebuttal testimony. By Order of February 15, 1994 the Commission granted additional time for the filing of all such testimony and rescheduled the hearing for March 29, 1994. The hearing was conducted as scheduled on that date. James B. Wright, Esquire and Richard D. Gary, Esquire appeared on behalf of United; Edward L. Flippen, Esquire appeared on behalf of AT&T; Alexander F. Skirpan, Esquire appeared on behalf of MCI, and Robert M. Gillespie, Esquire appeared on behalf of the Commission Staff.

Pursuant to a stipulation that cross-examination was not necessary, the Commission received into evidence United's proof of publication marked as Exhibit A, United's Cost Allocation Manual, the Commission Staff's audits of United's Cost Allocation Manual dated September 12, 1991 and September 21, 1992, and the Staff's AIF report dated May 28, 1993. United presented the direct testimony of Thomas J. Geller, and J. Randall Miller, and the Commission Staff presented the direct testimony of Paula S. Brown of the Commission's Division of Public Utility Accounting, Larry J. Cody of the Division of Communications, and Donna T. Pippert of the Division of Economics and Finance.

This proceeding was conducted pursuant to the terms of paragraph 20 of the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies. The sole issue was to determine if United had earned in excess of its authorized range of return on Potentially Competitive, Discretionary and Basic services for the year 1989. The authorized range of return on equity for all participants in the Experimental Plan is 12 to 14 percent. The rate of return statements introduced by Mr. Geller and Ms. Brown showed a return on equity for 1989 of 5.88%. That return on equity was not contested. Since the return on equity of 5.88% is well beneath the 14% limit established by paragraph 18 of the Experimental Plan, the Commission finds that during the year 1989, United's tariffed services earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That United's rates for the year 1989 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in paragraphs 19 and 20 of the Experimental Plan; and

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

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC900048
APRIL 18, 1994

APPLICATION OF
CONTEL OF VIRGINIA, INC., d/b/a GTE VIRGINIA

Annual Informational Filing

FINAL ORDER

On September 7, 1993, Contel of Virginia, Inc., d/b/a GTE Virginia ("GTE Virginia") filed its motion to make its rates permanent for the 1989 test year. That motion was filed in response to an AIF report filed by the Commission Staff August 16, 1993.

By Order of September 16, 1993, the Commission prescribed notice and invited comments or requests for hearing concerning GTE Virginia's motion. Comments were filed by MCI Telecommunications Corporation of Virginia ("MCI") and by AT&T Communications of Virginia, Inc. ("AT&T").

By Order of February 10, 1994, the Commission scheduled a hearing for March 24, 1994 and established deadlines for GTE Virginia to file its testimony in support of its motion, for MCI and AT&T to file their prepared direct testimony, for the Commission Staff to file any additional direct testimony, and for GTE Virginia to file any rebuttal testimony. The hearing was conducted as scheduled March 24, 1993. Joe W. Foster, Esquire and Charles H. Carrathers, Esquire appeared on behalf of GTE Virginia; Edward L. Flippen, Esquire appeared on behalf of AT&T; Alexandra F. Skirpan, Esquire appeared on behalf of MCI, and Robert M. Gillespie, Esquire appeared on behalf of the Commission Staff.

Pursuant to a stipulation that cross-examination was not necessary, the Commission received into evidence GTE Virginia's proof of publication marked as Exhibit A, GTE Virginia's Cost Allocation Manual, the Commission Staff's audits of GTE Virginia's Cost Allocation Manual dated March 13, 1992, November 3, 1992 and June 23, 1993, and the Staff AIF report dated August 16, 1993. GTE Virginia presented the direct testimony of Mr. J. Frank Flanagan and the Commission Staff presented the direct testimony of Paula S. Brown of the Division of Public Utility Accounting, Larry J. Cody of the Division of Communications, and Donna T. Pippert of the Division of Economics and Finance.

This proceeding was conducted pursuant to the terms of paragraph 20 of the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies. The sole issue was to determine if GTE Virginia had earned in excess of its authorized range of return on Potentially Competitive, Discretionary and Basic services for the year 1989. The authorized range of return on equity for all participants in the Experimental Plan is 12 to 14 percent. The rate of return statements introduced by Mr. Flanagan on behalf of GTE Virginia and by Ms. Brown on behalf of the Commission Staff showed a return on equity for 1989 of 13.92%, which was not contested. Since that return is beneath the 14% limit established by paragraph 18 of the Experimental Plan, the Commission finds that during the year 1989, GTE Virginia's tariffed services earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That GTE Virginia's rates for the year 1989 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided by paragraphs 19 and 20 of the Experimental Plan; and

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

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC900049
NOVEMBER 10, 1994

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

Annual Informational Filing

FINAL ORDER

On February 14, 1994, the Central Telephone Company of Virginia ("Centel") filed its motion to make rates permanent for the 1989 test year. That motion was filed in response to an Annual Informational Filing ("AIF") report filed by the Commission Staff January 19, 1994. By Order of February 25, 1994, the Commission prescribed notice and invited comments or requests for hearing concerning Centel's motion. Supplemental notice was prescribed by Order of June 24, 1994, which established a deadline of August 15, 1994, for the filing of any comments or requests for hearing concerning the motion. No comments or requests for hearing were received.

There is, however, the Commission Staff's Motion for Refunds filed July 11, 1994. The basis for this motion was the disallowance of certain intrastate tariffed services' affiliate expenses and revenues that were incurred by Centel during 1989, but which had not received Commission approval pursuant to Chapter 4 of Title 56 of the Code of Virginia until April and May of 1994. (See Case No. PUA930026, Final Order April 29, 1994, and Case No. PUA930027, Final Order May 6, 1994.)

On August 1, 1994, Centel filed its Response to the Staff motion stating, among other things, that not all disputed affiliate costs and revenues should be disallowed.

The Commission is of the opinion that the Staff motion should be denied. We will not disallow all unapproved affiliate costs and revenues. Nonetheless, Centel did fail to seek prior approval of its 1988 and 1989 affiliate agreements as required by § 56-77 of the Code of Virginia. The Commission will address that failure by issuing a rule to show cause in a separate docket. For the purposes of determining whether rates should be made permanent in this docket, the Commission has determined that it would be reasonable to recognize the level of affiliate costs and revenues that would have been experienced by Centel under the previously approved affiliate agreements.

The Commission Staff has calculated that disallowing the costs and revenues attributable to the changes introduced by the unapproved 1988 and 1989 affiliate agreements would increase the return on equity to approximately 13 percent, from the 11.28 percent reflected in column five of Schedule 8 of the Staff AIF Report of January 19, 1994. Because Centel's return on equity in either case is beneath the 14 percent limit established by paragraph 18 of the Experimental Plan, the Commission finds that during the year 1989, Centel's tariffed services earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Centel's rates for the year 1989 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in paragraphs 19 and 20 of the Experimental Plan; and

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

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC900049
NOVEMBER 30, 1994

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

Annual Informational Filing

ORDER DENYING RECONSIDERATION

On November 28, 1994, the Central Telephone Company of Virginia ("Centel") filed a Petition for Reconsideration of our November 10, 1994 Final Order in this case. After considering Centel's arguments, we have concluded that our Final Order should not be altered and that the Petition for Reconsideration should be denied. Accordingly,

IT IS THEREFORE ORDERED that Centel's November 28, 1994 Petition for Reconsideration is hereby denied.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC910010
NOVEMBER 22, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC. (formerly The Chesapeake & Potomac Telephone Company of Virginia)

Annual Informational Filing

FINAL ORDER

On March 31, 1994, Bell Atlantic-Virginia, Inc. (formerly The Chesapeake & Potomac Telephone Company of Virginia, hereafter "BA-VA") filed its motion to make rates permanent for the 1990 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 March 17, 1994, which indicated that BA-VA had earned a return on equity during 1990 of 12.98%.

By Order of August 31, 1994 and an Amending Order of September 13, 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 October 26, 1994. That deadline has passed and there have been no comments opposing the motion or requesting a hearing upon it.

In the absence of any requests for hearing or any opposition to the Staff Report of March 17, 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 1990. 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 March 17, 1994 Report, shows an earned return on equity for 1990 of 12.98%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1990 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 1990 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; and

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

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC910011
NOVEMBER 28, 1994

APPLICATION OF
THE CENTRAL TELEPHONE COMPANY OF VIRGINIA

Annual Informational Filing

FINAL ORDER

On May 23, 1994, The Central Telephone Company of Virginia ("Centel") filed its motion to make rates permanent for the 1990 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 May 13, 1994. This Report indicated Centel earned a return on equity during 1990 of 9.03% with certain affiliate arrangements included in the calculation, and 14.38% with those arrangements excluded.

By Order of August 31, 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 October 17, 1994. That deadline has passed, and the Commission has not received any comments in opposition to the motion or any requests for a hearing.

In the absence of any requests for hearing or any opposition to the Staff Report of May 13, 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 1990. The Commission Staff has recalculated Centel's affiliate revenues and costs. Because 1990 revenues and expenses attributable to the unapproved affiliate agreements Centel entered into in 1988 and 1989 were not available, the Staff used a 1988 level that did exclude such revenues and costs. That calculation showed Centel's earned return for 1990 to be approximately 11.6%. Since that return is well beneath the 14% limit established by paragraph 18 of the Experimental Plan, the Commission finds that during the year 1990, Centel's tariffed services earned less than the authorized maximum return on equity. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Centel's rates for the year 1990 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; and

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

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC910013
NOVEMBER 22, 1994

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC. (formerly United Inter-Mountain Telephone Company)

Annual Informational Filing

FINAL ORDER

On February 10, 1994, United Telephone-Southeast, Inc., (formerly United Inter-Mountain Telephone Company, hereafter "United") filed its motion to make rates permanent for the 1990 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 on January 28, 1994, which indicated that United had earned a return on equity during 1990 of 6.81%.

By Orders dated February 25, 1994 and June 24, 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 August 15, 1994. That deadline has passed and there have been no comments opposing the motion or requesting a hearing upon it.

In the absence of any requests for hearing or any opposition to the Staff Report of January 28, 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 United earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic services for the year 1990. 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 AIF Report shows an earned return on equity for 1990 of 6.81%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1990 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 1990 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; and

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

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC910014
NOVEMBER 22, 1994

APPLICATION OF
GTE SOUTH, INC.

Annual Informational Filing

FINAL ORDER

On June 16, 1994, GTE South, Inc. ("GTE South" or "the Company") filed its motion to make rates permanent for the 1990 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 on February 7, 1994, which indicated that GTE South had earned a return on equity during 1990 of 6.39%.

By Order of August 31, 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 October 17, 1994. That deadline has passed and there have been no comments opposing the motion or requesting a hearing upon it.

In the absence of any requests for hearing or any opposition to the Staff Report of February 7, 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 1990. 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 February 7, 1994 Report shows an earned return on equity for 1990 of 6.39%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1990 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 1990 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; and

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

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC910015
NOVEMBER 22, 1994

APPLICATION OF
GTE SOUTH, INC. (formerly Contel of Virginia, Inc., d/b/a GTE Virginia)

Annual Informational Filing

FINAL ORDER

On June 16, 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 1990 test year being considered in this Annual Informational Filing ("AIF"). That motion was filed in response to an AIF Report filed by Commission Staff on February 10, 1994, which indicated that GTE Virginia had earned a return on equity during 1990 of 10.93%.

By Order of August 31, 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 October 17, 1994. That deadline has passed and there have been no comments opposing the motion or requesting a hearing upon it.

In the absence of any requests for hearing or any opposition to the Staff Report of February 10, 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 1990. 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 February 10, 1994 Report shows an earned return on equity for 1990 of 10.93%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during the 1990 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 1990 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; and

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

Commissioner Moore did not participate in this proceeding.

CASE NO. PUC920029
JANUARY 7, 1994

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

ORDER GRANTING PETITION FOR RECONSIDERATION

On January 7, 1994, The Chesapeake and Potomac Telephone Company of Virginia ("C&P") filed its Petition for Reconsideration of the Commission's Final Order of December 17, 1993, asking that one provision of paragraph 17 of Attachment A be modified. C&P asked that the last sentence of the next to the last subparagraph of paragraph 17 be altered so as not to require a full general rate case in any hearing resulting from Virginia Code § 56-237.2 for revenue neutral rate changes.

Pursuant to the terms of Commission Rule of Practice and Procedure 8:9, the Commission is of the opinion that C&P's Petition for Reconsideration should be granted and that, pending our consideration of this one issue, the effect of the one sentence of paragraph 17 mentioned above should be suspended. Accordingly,

IT IS THEREFORE ORDERED:

(1) That C&P's petition for reconsideration is hereby granted;

(2) That the effect of the final sentence of the next to the last subparagraph of paragraph 17 of Attachment A of our Final Order of December 17, 1993, is hereby suspended pending our reconsideration; and

(3) That in all other respects, the Final Order of December 17, 1993, remains unaltered.

Commissioner Moore did not participate in this matter.

CASE NO. PUC920029
JANUARY 14, 1994

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

ORDER UPON RECONSIDERATION

On January 7, 1994, The Chesapeake and Potomac Telephone Company of Virginia ("C&P") filed its Petition for Reconsideration of the Commission's Final Order of December 17, 1993 ("Final Order"), asking that one provision of paragraph 17 of Attachment A thereof be modified.

By order of January 7, 1994, the Commission granted C&P's Petition and suspended the effect of that portion of paragraph 17 mentioned above, pending reconsideration.

C&P argues in its Petition that, although the Final Order states that it is adopting the Staff's proposal for revenue neutral price restructuring, the final sentence of the next to the last subparagraph of paragraph 17 differs from such proposal. That is, while the Staff's position at the hearing would have allowed participating companies to "restructure Basic or Discretionary rates absent a general rate case as long as overall operating revenues will not increase, and Commission approval and customer notification provisions of Code Sections 56-237.1 and 56-237.2 are met," (Staff Report at A-4) the above provision of paragraph 17 would require any hearing regarding such changes to conform to the rules governing general rate case applications.[1]

[1]The Staff brief filed after the hearing did suggest a provision of the type at issue here.

Our goal here was to permit revenue neutral rate restructurings without the necessity of a general rate case, as the Code of Virginia allows, but which was prohibited by prior provisions of the Experimental Plan's paragraph 17. Virginia Code § 56-237.2 requires the Commission to conduct a public hearing if 20 or more customers object to a rate change; however, it does not mandate that such hearing be conducted pursuant to rules governing a general rate case.

Upon reconsideration of this matter, the Commission finds that the above provision of paragraph 17 should be stricken. Filing requirements for any hearing resulting from Virginia Code §§ 56-237.1 and 56-237.2 will be determined on a case-by-case basis, dependent on the issues in question. Of course, at a minimum, a company will be required to furnish supporting documentation that the proposed rate changes do not result in an increase in overall regulated operating revenues. Accordingly,

IT IS THEREFORE ORDERED:

(1) The final sentence of the next to the last subparagraph of paragraph 17 of the Modified Plan (Attachment A to the Final Order) reading: "Any hearing resulting from § 56-237.2 must conform to the rules governing general rate case applications for telephone companies, including subparagraphs a, b, and c above" is hereby stricken.

(2) In all other respects, the Final Order remains unaltered.

Commissioner Moore took no part in this matter.

CASE NO. PUC930016
APRIL 22, 1994

APPLICATION OF
ALTERNET OF VIRGINIA

For a certificate of public convenience and necessity to provide inter-LATA, interexchange telecommunications service in Virginia and to have its rates determined competitively

FINAL ORDER

On May 27, 1993, AlterNet of Virginia ("AlterNet" or "Applicant") filed its application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide inter-LATA, interexchange telecommunications service to the public within the Richmond metropolitan area, including the counties of Chesterfield and Henrico, and to have its rates determined competitively. By Order of August 2, 1993, the Commission directed AlterNet to provide notice to the public of its application and invited interested persons to file objections on or before September 15, 1993. Objections were filed by The Chesapeake and Potomac Telephone Company of Virginia ("C&P", now named Bell Atlantic - Virginia) and by Virginia Metrotel, Inc. ("Metrotel").

By Order of December 22, 1993, the Commission assigned this matter to a hearing examiner and scheduled a public hearing for February 8, 1994.

The hearing was conducted as scheduled with Steven F. Morris, Esquire, J. G. Harrington, Esquire, and George B. Wickham, Esquire appearing for AlterNet; Charles H. Carrathers, Esquire appearing for Metrotel; Alexander F. Skirpan, Esquire appearing for MCI Telecommunications Corporation of Virginia ("MCI"); Warner F. Brundage, Jr., Esquire appearing for Bell Atlantic - Virginia; and Robert M. Gillespie, Esquire appearing for the Commission's Staff.

The examiner issued his report March 11, 1994, with findings and recommendations as follows:

1. AlterNet has the technical and managerial ability to bring the benefits of advanced telecommunications services to consumers in Virginia. Therefore, the public interest will be served by the technology offered and competition created by this service proposed by AlterNet;

2. A certificate of public convenience and necessity should be granted to AlterNet for inter-LATA, interexchange service in the Richmond Metropolitan area as shown by the map attached as Exhibit C to the application; and

3. AlterNet should file an acceptable tariff.

The Commission agrees with and adopts the Examiner's Report. Accordingly,

IT IS THEREFORE ORDERED:

(1) That AlterNet of Virginia is hereby granted a certificate of public convenience and necessity, No. TT-21A to provide the inter-LATA, interexchange access services proposed in its application, subject to the restrictions and conditions set out in the Commission's Rules Governing the Certification of Inter-LATA, Interexchange Carriers and in § 56-265.4:4 of the Code of Virginia;

(2) That AlterNet file with the Commission's Division of Communications three (3) copies of tariffs for its services that conform with the Commission's Rules and Regulations;

(3) That such conforming tariffs filed by AlterNet may become effective upon the date of this Order or any subsequent date chosen by the Company;

(4) That changes in the Company's tariffs shall be accomplished as set forth in Rule 11 of the Commission's Rules Governing the Certification of Inter-LATA, Interexchange Carriers; and

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

CASE NO. PUC930023
APRIL 13, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CONTEL OF VIRGINIA, INC., d/b/a GTE VIRGINIA,
Defendant

To investigate telephone service quality

DISMISSAL ORDER

On August 13, 1993, the State Corporation Commission ("Commission") issued an order initiating a service investigation of the quality of telephone service of Contel of Virginia, Inc., d/b/a GTE Virginia ("GTE Virginia" or "the Company"). Among other things, the Order directed that a hearing be convened on October 5, 1993, to hear evidence from the Commission's Division of Communications ("the Staff") and GTE Virginia concerning the quality of the Defendant's service. At the conclusion of the hearing, the Commission directed the Staff to continue to monitor GTE Virginia's service quality and file a written report within six months of the date of the October 5 hearing recommending any further action it deemed appropriate.

On March 30, 1994, the Staff filed its Report noting that GTE Virginia had made a concerted effort to return its service to its former level of excellence. It reported that the Company's monthly service results have been satisfactory since the October 5, 1993 hearing. The Staff noted that it would continue to monitor GTE Virginia's service quality, utilizing the same processes which it employs for all local exchange telephone companies, and recommended that the instant investigation be closed.

NOW, upon consideration of the record herein and the Staff's Report, the Commission is of the opinion and finds that the captioned matter should be closed. GTE Virginia will remain subject to our Rules Governing Service Standards for Local Exchange Telephone Companies adopted in Case No. PUC930009. As such, the Company must continue to submit monthly reports to our Division of Communications, using the performance indicators identified in these rules. In closing this proceeding, we admonish GTE Virginia to maintain a significant presence in Virginia and to provide the best and most reliable service possible.

Accordingly, IT IS ORDERED that the captioned matter shall be closed and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUC930025
JANUARY 10, 1994

APPLICATION OF
PAGEMART OPERATIONS, INC. OF VIRGINIA

For a certificate to provide radio common carrier services throughout the Commonwealth

FINAL ORDER

On August 25, 1993, PageMart Operations, Inc. of Virginia ("PageMart" or "the Company") delivered an application to the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide radio common carrier service throughout the Commonwealth. On October 26, 1993, PageMart completed its application in accordance with the requirements of Va. Code § 56-508.6 and the Commission's Rules Governing Radio Common Carrier Services adopted on February 26, 1990, in Case No. PUC890042, 1990 S.C.C. Ann. Rept. 245. The Company's application proposes that, initially, radio common carrier service would be offered in the Cities of Norfolk and Richmond, Virginia.

In its November 22, 1993 Order, the Commission directed PageMart to provide notice to Virginia's existing radio common carriers and to local officials of the cities, towns and counties in which it would initially offer service. That Order also invited radio common carriers certificated to provide service within the Commonwealth and local officials in the area where the Company initially plans to offer service to file their objections to or requests for hearing on the Company's application with the Clerk of the Commission by January 6, 1994. The Order advised that a public hearing would be held only if substantive objections or if requests for hearing were filed with the Commission.

On January 4, 1994, the Company, by counsel, filed its proof of compliance with the notice prescribed in Ordering Paragraphs (4) and (5) of the November 22 Order. No objections to the Company's application or requests for hearing were filed. The Commission Staff has advised that it does not object to the Commission granting the requested authority.

NOW, UPON consideration of the record herein and the applicable statutes, the Commission is of the opinion and finds that the Company's application should be granted; that the Company has the financial, managerial, and operational experience to provide adequate service to the public; and that pursuant to the terms of Va. Code § 56-508.6 and the Commission's Rules governing radio common carrier service, PageMart should be granted a certificate of public convenience and necessity to provide radio common carrier service throughout the Commonwealth.

Accordingly, IT IS ORDERED:

(1) That PageMart is granted Certificate No. RCC-172 authorizing it to provide service throughout the Commonwealth. Initially, service will be offered in the Cities of Norfolk, and Richmond, Virginia; and

(2) That there being nothing further to be done herein, this case shall be dismissed, and the record developed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUC930031
JANUARY 19, 1994

APPLICATION OF
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

To implement local calling plans in various C&P exchanges and to eliminate local exchange mileage charges

FINAL ORDER

On October 12, 1993, the Chesapeake and Potomac Telephone Company of Virginia ("C&P") filed an application to expand certain of its local calling areas, among other matters.

By order dated October 29, 1993, ("Notice Order") the Commission directed that C&P notify customers whose rates would be changed by the implementation of contiguous calling in the Richmond and Lynchburg LATAs and Richmond Plus Service in the metropolitan Richmond area. Affected customers were advised to file any comments with the Commission by December 31, 1993. That order also stated that, if an insufficient number of objections or requests for hearing were received, the proposal might be approved without hearing.

On December 30, 1993, MCI Telecommunications Corporation of Virginia ("MCI") filed a request for hearing in this case. In addition, out of 54,801 customers affected by these proposals, 112 objections and 17 expressions of support have been received by the Commission. The vast majority of the objections, 94, were received from the approximately 1,900 customers in the West Point exchange.

The Commission is impressed by the fact that, with the exception of the West Point exchange, the proposed increases in monthly local flat rate service are rather small. Increases for residential service, for example, range from a low of $0.34 per month (2.9%) in the Danville-Chatham area to $0.95 per month (7.5%) in several other exchanges. Most of the increases are in the $0.68 to $0.77 per month range.

Customers would gain several benefits in return for these increases. First, since the local areas would be expanded, the inconvenience of "1+" dialing would be eliminated for many of the calls made by these customers.

Second, the implementation of contiguous calling between exchanges will mean that all affected customers will be able to call any intraLATA C&P exchange contiguous to their own on a local, toll-free, basis, providing for a more logical and understandable local calling arrangement. In addition, all such customers will be listed together in the same telephone directory, another convenience.

Third, the savings in toll rates previously paid by these customers will easily, in most cases, override the proposed increase in local rates. In fact, C&P projects in its filing that the implementation of its entire proposal in its October 12 filing will cause a net reduction in overall revenues of approximately $25 million.

Though that entire proposal is not before us in this case, the magnitude of possible savings becomes clear upon an examination of existing toll rates in these areas. In the least expensive mileage band, 0 to 8 miles, C&P's present toll rates for daytime calls are $0.21 for the first minute and $0.12 for additional minutes. These rates are discounted 40% in the evening and 60% on nights and weekends. Thus, the first minute of a weekend call in this band currently costs $0.084 and a three-minute call costs $0.18. Within the 9 to 13 mileage band, the cost of a three minute call would range from $0.53 based on day rates to $0.21 with weekend rates. A customer whose local monthly rate increases $0.95 per month (the highest proposed increase, other than in West Point) will more than recoup this amount after making a very few calls to nearby areas previously subject to toll charges.

Whether specific customers will experience an overall increase or decrease in monthly bills will depend, of course, on individual calling habits. The comparison between existing toll rates and proposed local rate increases is so favorable, however, that, from this perspective, the plan is clearly in the public interest.

Proposed increases in the West Point exchange are more significant. Flat rate service there would increase by $2.38 per month for residential customers and $7.69 per month for business customers, 28% in each case. There, a residential customer would need to make at least nine three minute short distance (14 to 18 miles) weekend-rated calls per month to receive a net economic benefit from this proposal.

The size of these proposed increases, and the level of opposition received to them, lead us to conclude that a different approach is necessary in the West Point exchange. Thus, we will separate the proposal for that exchange from the remainder of this case and institute a new case today, Case No. PUC940004, to allow more thorough consideration of that matter.

The final issue before us is MCI's request for a hearing. While our Notice Order invited customers to comment on these proposals, MCI's filing does not allege that it is a customer of C&P in any of the exchanges affected by this case. Even if it is, MCI clearly does not seek a hearing because it fears its local rates, as such a customer, may increase. Instead, MCI is concerned about the broader anti-competitive implications which it believes underlie C&P's application. It characterizes C&P's efforts here as a "preemptive strategy to lock up intraLATA traffic prior to authorization of competition [within the LATAs]."

MCI cites no authority that requires this Commission to grant MCI a hearing in this case, and we are aware of none. Rather, MCI says this is a "logical opportunity for the Commission to examine local calling and determine how calling needs of Virginia subscribers can best be met."

Since no hearing is required in this case, in determining whether to hold a hearing as a matter of our discretion, we must weigh the advantages of such action against the advantages of allowing the proposal to become effective promptly.

C&P currently has the exclusive right to provide local exchange service and intraLATA calling within the affected areas. Under a separate docket, Case No. PUC850035, MCI and others seek the right to provide intraLATA service on a competitive basis. As noted above, MCI suggests that C&P's efforts here are designed to eliminate certain potential intraLATA competition by raising local rates and making a wider range of calls toll-free. This claim does not warrant a hearing in this docket; the C&P plan is clearly in the public interest even if intraLATA competition were authorized immediately. In that event, the maximum savings competition could bring to customers included under the plan in this case would be less than $0.34 to $0.95 per month. In addition, rates are not the only issue.

For example, we find it in the public interest to enable each local exchange to be able to call all intraLATA contiguous C&P exchanges, and to have all such customers listed in the same directory. Also, the elimination of "1+" dialing is an advantage.

Given the above considerations, we do not find it in the public interest in this case to delay the clear benefits to customers, both in terms of cost and convenience, in order "to examine local calling and determine how calling needs of Virginia subscribers can best be met" as requested by MCI. This question is also essentially what we are considering in Case No. PUC930036, given the breadth of issues included in that docket.

For the reasons set forth herein, MCI's request for a hearing is denied, and the proposed changes in this case not affecting West Point will be approved. Accordingly,

IT IS THEREFORE ORDERED:

1. That, with the exception of the proposed changes associated with the West Point area, C&P's proposals herein dealing with the expansion of local calling areas in the Richmond and Lynchburg LATAs are hereby approved, and shall be implemented on or about March 1, 1994.

2. That all matters inherent in this case regarding the West Point exchange are hereby separated from this case and shall be considered further in Case No. PUC940004 instituted by the Commission today.

3. That there remaining 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. PUC930032
APRIL 13, 1994

JOINT APPLICATION OF
GTE SOUTH, INC.
and
CONTEL OF VIRGINIA, INC., d/b/a GTE VIRGINIA

For the approval of a merger of GTE Virginia into GTE South, Incorporated and related authorizations

ORDER GRANTING AUTHORITY

On October 15, 1993, GTE South, Incorporated ("GTE South") and Contel of Virginia, Inc., d/b/a GTE Virginia ("GTE Virginia") ("Joint Applicants") collectively, filed a Joint Application pursuant to Virginia Code §§ 56-60 et seq., 56-77 et seq., 56-90, and 56-265.2 for (1) approval of a merger of GTE Virginia into GTE South, effective on or after July 1, 1994; (2) authority to issue, transfer, or exchange securities or otherwise incur indebtedness in connection with such merger; (3) issuance of certificates of public convenience and necessity to GTE South to provide local exchange telecommunications service within the area currently served by GTE Virginia; (4) the transfer to GTE South of a certificate previously issued to GTE Virginia in Case No. PUC850028; (5) approval of certain affiliate transactions involving GTE South and its affiliate companies in the states of Kentucky, North Carolina, and South Carolina; and (6) authority to take any other actions reasonably necessary to effectuate the merger. GTE South paid the requisite fee of $250 in connection with its application for approval of issuance of securities.

GTE South is a Virginia corporation and is a "public utility" as defined under Virginia Code § 56-265.1(b). GTE South is certificated by the Commission to provide local exchange and intraLATA toll telecommunications services to the public within the State of Virginia. The common stock of GTE South is wholly owned by GTE Corporation.

Similarly, GTE Virginia is a Virginia corporation and a "public utility" as defined under Virginia Code § 56-265.1(b). GTE Virginia is also certificated by the Commission to provide local exchange and intraLATA toll telecommunications services to the public within the State of Virginia. It also holds

a certificate, No. TT-11A, to offer interLATA toll telecommunications service in Virginia. The common stock of GTE Virginia is wholly owned by Contel Corporation.

GTE Corporation is a New York corporation and has its principal offices in Stamford, Connecticut. Contel Corporation is a Delaware corporation which has its principal executive offices in Stamford, Connecticut. The common stock of Contel is wholly owned by GTE Corporation.

GTE South is an affiliated interest of GTE Corporation and Contel Corporation as contemplated under Virginia Code § 56-76 et seq. by reason of ownership of the outstanding common stock of GTE South and Contel Corporation by GTE Corporation. Similarly, GTE Virginia, as well as Contel of Kentucky, Inc., Contel of North Carolina, Inc., and Contel of South Carolina, Inc., are also affiliated interests of GTE South in that Contel Corporation also owns all the common stock of those entities.

A corporate reorganization of GTE Corporation and Contel Corporation was completed on March 14, 1991. After the reorganization, Contel Corporation continued to own the outstanding stock of GTE Virginia and 25 other Contel subsidiaries, including Contel of Kentucky, Inc., Contel of North Carolina, Inc., and Contel of South Carolina, Inc. Joint Applicants represent that, prior to the effective date of the merger proposed herein, Contel Corporation will distribute all of its GTE Virginia common stock to GTE Corporation to facilitate the proposed merger of GTE Virginia into GTE South. At or near the same time, Contel Corporation will also distribute to GTE Corporation all of the common stock of the Contel companies in Kentucky, North Carolina, and South Carolina.

The Commission, by Order dated July 6, 1989, in Case No. PUA880073, authorized GTE South to enter into an Operating Agreement with eight GTE Telephone Operating Companies, including GTE Southwest Incorporated, GTE California Incorporated, GTE Hawaiian Telecommunications Company Incorporated, GTE Northwest Incorporated, GTE West Coast Incorporated, GTE Alaska Incorporated, GTE North Incorporated, and GTE Florida Incorporated ("the eight GTE Companies"). These companies are telecommunications utilities providing telecommunications services to the public outside the State of Virginia pursuant to authority granted by appropriate state regulatory agencies. The common stock of each is owned by GTE Corporation.

Under the terms of the Operating Agreement approved by the Commission in Case No. PUA880073, certain of the general and administrative functions of GTE South and the eight GTE Companies were consolidated into a common "Staff" or "General Office." The Operating Agreement contained terms and conditions, including provisions for General Office Services, Centralized Operations, Allocation and Reimbursements of Expenses, and Transfers of Property. The purpose of the Operating Agreement was to establish more efficient and effective operations and more efficient utilization of technology and network resources for GTE South and the eight GTE Companies.

By Order dated August 21, 1991, in Case No. PUA910016, the Commission approved an Operating Agreement which expanded the Operating Agreement approved by the Commission in Case No. PUA880073 to include not only the GTE Corporation operating telephone company subsidiaries but also GTE Virginia and the 25 Contel Corporation operating telephone companies' subsidiaries as well. Joint Applicants state that, in accordance with this Operating Agreement, GTE South and GTE Virginia have proceeded to consolidate and integrate their operations.

In Case No. PUA910016, four Area Operations were approved: the North Area, the Central Area, the West Area, and the South Area. In each Area, the executive and certain of the general and administrative functions of the Area companies were consolidated into common Area staffs, and certain network and operation functions were centralized and shared among the Area companies. GTE Telephone has recently announced a new organizational structure for its telephone operations. Under the new organizational structure, GTE South and GTE Virginia will be in the East Area rather than the South Area, and the State of Virginia will be a separate and distinct region.

Joint Applicants propose to enter into an Agreement of Merger, which includes a Plan of Merger. On the effective date of the merger, the assets and liabilities of GTE Virginia will be carried on the books of GTE South, the surviving corporation, at the amounts carried immediately before such date on the books of GTE Virginia. After the merger, GTE South will adopt the tariffs of GTE Virginia and will continue to provide services in the former GTE Virginia exchanges in accordance with the rates, terms, and conditions of GTE Virginia tariffs.

Joint Applicants seek approval of the several financial transactions. GTE South seeks authority to assume all of the existing assets, liabilities, and debt of GTE Virginia, Contel of Kentucky, Inc., Contel of North Carolina, Inc., and Contel of South Carolina, Inc. GTE South also requests authority to issue 2,064,000 additional shares of its common stock to GTE Corporation in exchange for GTE Corporation's holdings in GTE Virginia, Contel of Kentucky, Inc., Contel of North Carolina, Inc., and Contel of South Carolina, Inc. The value of these holdings is estimated at $387 million.

GTE South requests that the Commission grant it, as the surviving corporation, certificates of public convenience and necessity to provide local exchange telecommunications service within all areas of the State of Virginia for which GTE Virginia is currently authorized to operate. Joint Applicants state that GTE South, as the surviving corporation, is fit, willing, and able and possesses the technical, financial, and managerial resources and abilities to provide local exchange and intraLATA toll telecommunications services within the present GTE Virginia service areas.

As the surviving corporation, GTE South remains a Virginia public service corporation and will continue to operate a public utility system in the additional states of Alabama, Kentucky, North Carolina, and South Carolina and either has made or will make similar filings in those jurisdictions where authority is sought to merge those entities into GTE South. Joint Applicants seek approval, pursuant to Virginia Code § 56-76 et seq., of each of these transactions.

Joint Applicants state that GTE South has the necessary personnel, central office buildings and equipment, outside plant facilities, and other property necessary to operate its telephone system in Virginia. The central office buildings and equipment, outside plant facilities and other properties, as well as the employees of GTE Virginia, will be available to GTE South as the surviving corporation to continue to provide quality telecommunications service to Virginia customers. GTE South will continue to make all necessary filings and reports to the Commission, and the proposed merger will not adversely affect the ability of the surviving corporation to fulfill its duties as a telecommunications carrier within the State of Virginia.

Joint Applicants state that the proposed merger will be beneficial in that it will allow the surviving corporation to achieve greater administrative efficiency. The surviving corporation will conduct its utility business in the states of Kentucky, North Carolina, and Virginia as one corporate entity as opposed to the current situation where five separate entities oversee these operations.

Joint Applicants further state that the proposed merger will eliminate the need for numerous board meetings and attendant corporate secretary duties required by such; will eliminate the need for multiple federal and state income tax returns; will reduce the number of reports to the various state commissions and other regulatory bodies; and should reduce customer confusion since customers will now deal only with GTE South. In addition, the merged operations will provide a stronger base for financing the continued growth of telephone service in the areas previously served by the five separate entities, and the value of the securities of the surviving corporations will be enhanced and more attractive to prospective purchasers because such will be supported by the earnings and assets of the merged company.

Joint Applicants state that the proposed merger will be approved by the Board of Directors and shareholders of voting stock of the Joint Applicants in accordance with Joint Applicants' Bylaws and Articles of Incorporation and in accordance with law.

In addition, Joint Applicants state that the proposed merger of GTE South and GTE Virginia, as well as the other transactions for which approval is sought, is compatible with the public interest; is for a lawful objective within the corporate purposes of the Joint Applicants; is necessary, appropriate, and consistent with the proper performance of GTE South of its service to the public; will not impair GTE South's ability to perform its public service obligation; is reasonable, necessary, and appropriate and will permit the necessary financial transactions required to effect the merger and other matters contemplated; and is not detrimental to the customers of GTE South or GTE Virginia.

NOW THE COMMISSION, having considered the Joint Application, and having been advised by its Staff, is of the opinion that the merger of GTE Virginia into GTE South should be approved. The Commission, pursuant to Virginia Code § 56-90, finds that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by such a merger. As a Virginia public service corporation, GTE South shall maintain a presence in Virginia. The Commission reserves the right to correct any diminution in service to the public and fully expects GTE South's full cooperation in maintaining facilities and staff within the Commonwealth.

The Commission is of the further opinion that approval of affiliate arrangements and the proposed financing to effect the merger, including the assumption of debt by GTE South, will not be detrimental to the public interest.

The Commission will address reissuing GTE Virginia's interLATA, interexchange toll certificate, No. TT-11A, by subsequent order. However, the Commission is of the opinion and finds it in the public interest to cancel the local exchange certificates held by GTE Virginia and to reissue them to GTE South. An order to that effect will also be entered in Case No. 18921 to preserve a record that GTE Virginia has been merged into GTE South and that GTE South, as the surviving corporation, is reissued each GTE Virginia certificate of convenience and necessity with the same certificate number and the next alphabetical suffix. For instance, Certificate No. T303d in Amherst County will be canceled and reissued to GTE South as No. T303e.

The regulatory status of the rates for the GTE companies is currently being reevaluated in Case No. PUC930036, Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte: In the matter of investigating telephone regulatory methods pursuant to Virginia Code § 56-235.5, etc. The Commission will allow GTE South to adopt and use the tariffs of GTE Virginia in those exchanges where such tariffs are currently in use and to continue using the existing tariffs of GTE South in those exchanges where they are currently in use pending further order of the Commission. However, GTE South must maintain separate books for the separately tariffed service territories.

The Commission notes that GTE Virginia currently has authority (Case No. PUF930055) to borrow short-term debt in excess of five percent of its capital through December 31, 1994. That authority should be terminated as it will not be needed after the merger. Accordingly,

IT IS ORDERED:

(1) That Contel of Virginia, Inc., d/b/a/ GTE Virginia and GTE South Incorporated are hereby granted approval of the Agreement and Plan of Merger of GTE Virginia into GTE South Incorporated effective on or after July 1, 1994;

(2) That Contel of Virginia, Inc. and GTE South Incorporated are hereby granted approval of the affiliated transactions involving GTE South and its affiliated companies in the states of Kentucky, North Carolina, and South Carolina;

(3) That GTE South Incorporated is authorized to assume the debt and to issue up to 2,064,000 shares of common stock for the purposes and under the terms and conditions as described in the Joint Application;

(4) That effective on the date of the merger, the authority granted in Case No. PUF930055 for Contel of Virginia, Inc. to issue short-term debt in excess of five percent of capital through December 31, 1994, shall be terminated;

(5) That Contel of Virginia, Inc. and GTE South Incorporated are hereby granted authority to take any other actions reasonably necessary to effectuate the authority granted herein;

(6) That the authority granted herein shall not preclude the Commission from applying the provision of §§ 57-78 and 56-80 of the Code of Virginia hereafter;

(7) That the Commission reserves the right to examine the books and records and to require information of any affiliate to be filed with the Commission's Staff as deemed necessary 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 hereafter;

(8) That GTE Virginia and GTE South Incorporated shall file a report of the action taken pursuant to the authority granted herein on or before September 30, 1994;

(9) That the certificates of convenience and necessity by which GTE Virginia is authorized to furnish local exchange and intraLATA telecommunications service shall be canceled and reissued to GTE South. An order recording this reissuance shall also be entered in Case No. 18921;

(10) Pending further order of the Commission, GTE South may adopt and use the tariffs currently in use by GTE Virginia for the exchanges where they had been used and may continue using existing GTE South tariffs in the Big Prater, Big Rock, Bluefield, Dwight, Grundy, Hurley, Jewell Ridge, Maxie, Oakwood, Pocahontas, Richlands, Rocky Gap, and Tazewell exchanges as long as separate books are maintained for the separately tariffed service territories;

(11) That reissuance of GTE Virginia's interLATA, interexchange toll certificate, No. TT-11A, shall be addressed by subsequent order in this docket; and

(12) That this matter shall be continued generally subject to further order of the Commission.

CASE NO. PUC930032
APRIL 19, 1994

JOINT APPLICATION OF
GTE SOUTH, INC.
and
CONTEL OF VIRGINIA, INC., d/b/a GTE VIRGINIA

For the approval of a merger of GTE Virginia and to GTE South, Inc. and related authorizations

AMENDING ORDER

On April 13, 1994, the State Corporation Commission entered an order granting authority for Contel of Virginia, Inc., d/b/a GTE Virginia ("GTE Virginia") to merge into GTE South, Inc. ("GTE South") (collectively "Joint Applicants"). In that Order, the Commission also granted Joint Applicants certain related authorizations one of which was the authority to engage in certain affiliated transactions pursuant to Virginia Code § 56-76 et seq.

In referencing the authority of the Commission pursuant to affiliated transactions, there was an incorrect reference to a section of the Virginia Code ("Code"). Ordering paragraph (6) of that Order incorrectly referenced Commission affiliate authority as § 57-78. The proper reference for that authority is § 56-78.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion that our May 13, 1993 Order should be amended to provide the proper reference for our authority pursuant to Chapter 4 of Title 56 of the Code. Accordingly,

IT IS ORDERED:

(1) That our May 13, 1993 Order in this proceeding shall be amended to provide the proper reference for our affiliate authority;

(2) That the reference to § 57-78 in ordering paragraph (6) shall be amended to § 56-78; and

(3) That our jurisdiction over this matter shall be continued generally subject to further order of the Commission.

CASE NO. PUC930032
JUNE 23, 1994

JOINT APPLICATION OF
GTE SOUTH, INC.
and
CONTEL OF VIRGINIA, INC., d/b/a GTE VIRGINIA

For the approval of a merger of GTE Virginia into GTE South, Inc. and related authorizations

ORDER REISSUING INTERLATA, INTEREXCHANGE CERTIFICATE

The Commission's Order Granting Authority entered April 13, 1994, deferred the reissuance of Contel of Virginia, Inc.'s ("Contel's") interLATA, interexchange toll certificate, No. TT-11A. The need for the facilities and for the services furnished by means of those facilities has not been questioned. Nor was there any concern that GTE South, Inc., as the successor corporation of the proposed merger, possessed the financial, managerial, and technical ability to render service. The Commission was concerned that the issuance of a certificate to furnish interLATA, interexchange service to GTE South might place the Company in violation of its consent decree, U.S. v. GTE Corp., Trade Cas. (CCH) ¶66,355 (D.D.C. January 11, 1985) ("Consent Decree").

Having reviewed the Consent Decree, the Commission is of the opinion that the services furnished by GTE Virginia pursuant to its interLATA, interexchange certificate are "exchange access" services within the meaning of paragraph II.G. of the Consent Decree. That paragraph permits General Telephone Operating Companies ("GTOCs") to furnish such services for the purpose of originating or terminating interexchange telecommunications. Virginia Code § 56-1 does not recognize "exchange access" as a type of telephone service. It characterizes telephone service as either local exchange telephone service or interexchange telephone service. Section 56-265.4:4A permits only one provider of local exchange telephone service for a given service territory, while § 56-265.4:4B authorizes multiple providers of interexchange service. Such interexchange service has been further limited to interLATA, interexchange service by the Commission's Rules Governing the Certification of InterLATA, Interexchange Carriers ("IXC Rules"), Rule 2, 1984 SCC Ann. Rept. 329, 60 PUR4th 327.

Contel of Virginia, Inc. was granted certificate No. TT-11A pursuant to § 56-265.4:4B and the IXC Rules. This meant that the traffic on the facilities had to be strictly interLATA, interexchange traffic rather than intraLATA or local exchange traffic. The nature of the traffic satisfied the statutory definitions of §§ 56-1 and 56-265.4:4B even though the physical facilities were entirely within a single LATA. Competitive access providers have been certificated as interLATA, interexchange carriers due to the nature of their traffic rather than the location of their facilities. See Application of Virginia Metrotel, Inc. for a certificate of public convenience and necessity to provide inter-LATA, interexchange telecommunications service in Virginia and have rates determined competitively, Case No. PUC920043 (Final Order July 12, 1993) and Application of AlterNet of Virginia for a certificate of public convenience and necessity to provide inter-LATA, interexchange telecommunications service in Virginia and to have its rates determined competitively, Case No. PUC930016 (Final Order April 22, 1994).

GTE South, Inc. can hold an interLATA, interexchange certificate in Virginia and not violate its Consent Decree as long as it does not transport traffic across LATA boundaries. The traffic must be delivered to or received from interexchange carriers authorized to carry such traffic. That has always been the purpose of the Contel facilities and it will not change with the merger of Contel into GTE South. Accordingly,

IT IS THEREFORE ORDERED:

(1) That interLATA, interexchange toll Certificate No. TT-11A held by Contel of Virginia, Inc. shall be canceled and reissued to GTE South, Inc. as No. TT-11B; 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.

CASE NO. PUC930036
OCTOBER 18, 1994

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.

FINAL ORDER

I.

PROCEDURAL HISTORY

This investigation was initiated pursuant to Virginia Code § 56-235.5 by the Commission's Order for Notice and Hearing dated December 22, 1993, which immediately followed the conclusion of the Commission's evaluation of the Experimental Plan for Alternative Regulation of Virginia Telephone Companies in Case No. PUC920029 (Final Order dated December 17, 1993). That case resulted in the implementation of a modified version of the Experimental Plan, referred to therein as the Modified Plan.

The notice in the current case required persons to advise the Commission no later than January 20, 1994, if they wished to participate in the hearing and required such participants to file testimony and supporting exhibits on or before February 1, 1994. The filing date was subsequently changed to February 8, 1994. By that date, testimony and supporting exhibits were received from the Division of Consumer Counsel, Office of the Attorney General ("Attorney General"); Bell Atlantic-Virginia, Inc., ("Bell Atlantic - VA"); GTE South, Inc. and Contel of Virginia, Inc., d/b/a GTE Virginia ("GTE"); United Telephone-Southeast and Central Telephone Company of Virginia ("United/Centel"); AT&T Communications of Virginia, Inc.; MCI Telecommunications Corporation of Virginia; the Department of Defense and all other federal executive agencies; the American Association of Retired Persons; the Virginia Citizens Consumer Council; and the Virginia Cable Television Association, Cox Cable Hampton Roads, Inc., Continental Cablevision of Virginia, Inc., Adelphia Cable Communications, and Media General Cable of Fairfax County.

On March 15, 1994, the participants filed rebuttal testimony to the initial testimony. The Commission's Staff ("Staff") filed its testimony and exhibits on April 5, 1994, and on April 20, 1994, the other participants filed testimony and exhibits replying to the Staff testimony and/or to the rebuttal testimony. Those persons not formally participating in the hearing were allowed to file comments by April 20, 1994.

The hearing commenced April 27, 1994, and concluded on May 5, 1994. Post-hearing briefs were submitted by all participants on June 10, 1994.

II.

BACKGROUND

In 1993, the Virginia General Assembly enacted Virginia Code § 56-235.5, "Telephone regulatory alternatives." This statute is significant because it provides the Commission with broad authority to tailor regulation as needed to respond to competition and change in the Virginia telecommunications industry.

The enactment of § 56-235.5 came near the end of our Experimental Plan for alternative telephone regulation, which began January 1, 1989, pursuant to our December 15, 1988, Final Order in Case No. PUC880035, 1988 SCC Ann. Rept. 249. As mentioned above, we completed our evaluation of that alternative regulation experiment in late 1993 in Case No. PUC920029 and implemented the Modified Plan. In that December 17, 1993, Final Order, we discussed at length the rapid changes occurring in the telecommunications industry and how important it is for regulatory mechanisms to keep pace with and

encourage those changes that have positive impacts on consumers and telecommunications companies. As discussed in that Final Order, the Experimental Plan resulted in reduced rates, promoted rate stability, helped the local exchange companies ("LECs") adapt to emerging competition, and encouraged the LECs to invest in the Virginia telecommunications infrastructure.

For example, prior to the hearing in this case, Bell Atlantic - VA expanded some of its local calling areas, and some additional expansions are currently under way. Lost revenues resulting from these expansions, along with the elimination of local exchange mileage charges, could, by the company's estimate, exceed $23 million per year. Additionally, Bell Atlantic - VA plans to deploy a state-of-the-art, interactive video distance learning network to link public schools and state-supported colleges throughout its Virginia service territory. Bell Atlantic - VA has created a special fund to help schools pay for the classroom equipment needed for the network and plans to contribute $7 million to the fund. Other Virginia LECs are also forging ahead with forward-looking infrastructure investments to position the Commonwealth for the emerging "Information Age."

As we stated in our Final Order in Case No. PUC920029, however, "[w]hile the [Experimental] Plan has met the needs of telecommunications regulation to the present, the new day dawning in this industry warrants consideration of other possible responses in the future." Though the Modified Plan we implemented in that Order as an interim regulatory solution appears to be working well, we believe that we must fashion a more long-term solution which will, among other things, recognize the differences among Virginia LECs, which the Modified Plan does not, and adapt to growing competition and change in the telecommunications industry.

III.

PLANS ADOPTED

In this proceeding, each of the LECs has proposed a regulatory plan of its own. Both Bell Atlantic - VA and United/Centel proposed price indexing plans, while GTE proposed an earnings regulation plan based upon the Modified Plan. We believe that it is permissible, and appropriate, for LECs to be regulated under individually-tailored regulatory plans. Indeed, Virginia Code § 56-235.5B envisions such an approach, stating in part:

> Alternatives may differ among telephone companies and may include, but are not limited to, the use of price regulation, ranges of authorized returns, categories of services, price indexing or other alternative forms of regulation.

We have a history and comfort level with earnings-based regulation, but we believe that regulation based on pricing constraints, while new, has features that will facilitate LEC adaptation to emerging competitive markets. LECs faced with competitive pressures must be able to respond quickly and be innovative. Removal of traditional cost-based regulation eliminates the need for justifying prices based on costs. A price indexing plan recognizes the effects of inflation on both consumers and businesses and enables the LEC to regain some of the loss of purchasing power.

We have reviewed each of the proposed plans in detail. Modifications were required for each to ensure that the public interest will continue to be protected. We should note here that Bell Atlantic - VA made changes, as a means of compromise, to its proposed plan during the course of these proceedings, and we have adopted many of those modifications herein, as well as others of our own. Each of the plans (Attachments 2-5), with Commission modifications, are described below, and we adopt them herein. If the companies should decide to adopt these plans, they will become effective on January 1, 1995. The current Modified Plan will be changed slightly and renamed the Earnings Incentive Plan. Upon Commission approval, the Earnings Incentive Plan will be available as an alternative for any LEC at any time, as will, of course, traditional rate-of-return regulation under § 56-235.2 of the Code of Virginia.

We have decided that the service category definitions must be the same for all plans. The telecommunications services of each LEC will be classified into three categories called Basic Local Exchange Telephone Services ("BLETS"), Discretionary Services, and Competitive Services. We adopt for all plans the following definitions for these service categories:

1. "Competitive Services" are, pursuant to § 56-235.5F of the Code of Virginia, telecommunications services for which competition or the potential for competition in the marketplace is or can be an effective regulator of the price of those services as determined by the Commission.

2. "Discretionary Services" are telecommunications services which are optional, nonessential enhancements to BLETS, which may or may not be provided by suppliers other than [the LEC], but which do not conform to the definition of Competitive services.

3. "Basic Local Exchange Telephone Services" ("BLETS") are telecommunications services which are not Competitive or Discretionary and, due to their nature or legal/regulatory restraints, only [the LEC] can provide, and other services the Commission determines to be BLETS.

The Commission's authority to define BLETS is established by Virginia Code § 56-235.5B. The first criterion for an alternative regulatory plan found in that section requires that we protect the affordability of such service, Va. Code § 56-235.5B(i). In the Commission's opinion, the evidence establishes that at current rate levels, those services that are classified as BLETS on the attached Market Classifications of LEC Services (Appendix A to the attached plans) are affordable. For instance, rates for the LECs participating in the Experimental Plan and the Modified Plan were last increased pursuant to rate cases in 1983, 1984, and 1985. Since then, BLETS rates have only decreased. If adjusted for inflation, the decreases since 1983 are even more significant. Meanwhile, the penetration rate of Virginia households with telephone service has risen. It stands today near 94%. Given these indicators, we do not believe that rate cases are necessary to determine affordability.

For Bell Atlantic - VA and United/Centel, the existing affordability of BLETS can be protected in the future by the Staff's monitoring of LEC financial, economic, and accounting information; by a temporary moratorium on rate increases as specified by the plans; by limiting future increases for those LECs choosing a price indexing plan to no more than one half the rate of inflation; and by expanding the Virginia Universal Service Plan ("VUSP").

The Staff's monitoring of LEC financial, economic, and accounting information and the expansion of the VUSP will also apply to GTE's Plan and the Earnings Incentive Plan. These earnings-based plans also protect affordability by imputing Competitive services "above the line" if a rate increase is sought.

As further assurance of rate affordability, before entering their price indexing plans, we find that both Bell Atlantic - VA and United/Centel must make price reductions to benefit customers. Bell Atlantic - VA and United/Centel must eliminate their charges for Touch Tone service, and all subscriber lines shall be equipped to accommodate both Touch Tone and rotary dialing, thereby treating Touch Tone and rotary dialing the same in every respect, which includes eliminating the charge, if any, incurred by customers to switch from rotary dialing to Touch Tone.

Bell Atlantic - VA and United/Centel will each have a separate BLETS rate increase moratorium (though revenue-neutral changes will be allowed upon Commission approval), as discussed below. Bell Atlantic - VA's moratorium will extend until the year 2001 and United/Centel's will extend until the year 1998. This ability to begin indexing at different times is the most significant difference between the two price indexing plans. Each of the companies has different operating characteristics, demographics, and customer makeup, which leads us to conclude that it is acceptable for United/Centel to begin its indexing of BLETS rates three years before Bell Atlantic - VA.

For those services the Commission has classified as Discretionary, rate increases will be permitted for both Bell Atlantic - VA and United/Centel effective January 1, 1995, but such increases may not exceed certain limitations as described in each plan.

Revenue-neutral rate restructuring will be permitted for BLETS and Discretionary services only with prior Commission approval. In any such filing, the LEC must demonstrate that the public interest is protected and that BLETS prices will remain affordable.

For any revenue-neutral restructuring, as well as for any BLETS price increase described above, the notification provisions of Virginia Code §§ 56-237.1 shall apply, and if a protest or objection to a restructuring or BLETS price increase is filed by twenty or more customers, the Commission shall, upon reasonable notice, conduct a public hearing concerning the lawfulness of the restructuring or price increase, under the criteria of Virginia Code § 56-235.5.

Recommendations were made in this case to extend the reach of the Virginia Universal Service Plan ("VUSP"), which allows certain low-income consumers (currently only Medicaid recipients) to obtain telephone service at reduced installation charges and at lower monthly rates than other consumers. We agree with these recommendations and hereby direct the LECs to expand the VUSP to include food stamp recipients, and we direct the LECs and the Staff to explore the feasibility of expanding VUSP eligibility to other low-income Virginians. This measure will further ensure that the affordability requirement found in Virginia Code § 56-235.5B is being met. In addition, to ensure that customers are aware of all available monthly local service option plans, including lower-priced options to premium flat rate service, we direct the LECs to work with the Staff to develop and implement the best method of disseminating this information. We are concerned that many customers may not be aware that lower-priced options are available.

The second criterion of § 56-235.5B, "reasonably assur[ing] the continuation of quality local exchange telephone service," must also be satisfied by all plans. We believe that such assurance will not be a problem, since all of the plans require the LECs to conform to the Commission's Rules Governing Service Standards adopted in Case No. PUC930009 on June 10, 1993, 1993 S.C.C. Ann. Rpt. 221. Although nothing in the record indicates that service quality should be expected to diminish under any of the proposed plans, the Commission will continue to monitor this important area to ensure that no alternative regulatory plan results in diminished service quality. While recognizing that regulatory flexibility is a fundamental objective of incentive regulation, we cannot allow it to supersede the importance of good service.

The third statutory criterion can be met and assured by the various safeguards we are adopting in this case. That criterion requires that a plan "not unreasonably prejudice or disadvantage any class of telephone company customers or other providers of competitive services." Based upon the record, we find that the safeguards contained in Paragraph 12 of both the Bell Atlantic - VA Plan and the United/Centel Plan will satisfy this criterion. As discussed below, these safeguards include unbundling, imputation, and attribution. Also, comprehensive incremental cost studies will assure that Competitive services receive no cost subsidy from noncompetitive services. We do not believe that any unreasonable prejudice or disadvantage to customers or competitors has occurred under the Experimental Plan or Modified Plan. Thus, the Modified Plan's safeguards, as altered herein, including unbundling and attribution (Paragraph 6), financial reporting (Paragraph 10), and cost allocations (Paragraph 15), are being carried forward to the GTE Plan and the Earnings Incentive Plan, and we find that they satisfy this criterion. As a final safeguard, Virginia Code § 56-235.5(D) will allow us to alter, amend, or revoke any plan in instances in which unreasonable prejudice or disadvantage is demonstrated.

The final requirement of § 56-235.5B that the plans be in the public interest is satisfied by reason of meeting the first three criteria and because they offer the LECs incentives for new investments, for offering new services, for efficiencies, and for cost cutting. Moreover, the plans benefit the public interest by providing the LECs the flexibility they need to respond to the increasingly competitive telecommunications market in a manner similar to that of their unencumbered competitors.

We are confident that the four criteria discussed herein will continue to be met. If any problems do arise, the Commission will issue notice and convene a hearing pursuant to subsection D of § 56-235.5 to determine if any alternative plan is failing to meet legal requirements or expectations. The LECs will be under a strict obligation to continue to satisfy all of the criteria required by both the statute and by their alternative plans or risk being required to operate under a more restrictive regulatory structure. The Staff is directed to monitor closely the LECs and may move to amend or revoke a LEC's plan if the Staff determines that such action is necessary. Similar precautions were taken in the 1980's, and still exist, regarding the treatment of certificated interLATA, interexchange carriers. In 1984, when we changed our regulatory approach regarding interexchange carriers, competition among them was in its infancy. We monitored the evolving marketplace and retained the ability to reregulate if AT&T's market power had begun suppressing competition. We are facing a similar situation today with the LECs, and as was true regarding the interexchange carriers, we believe that, over time, it will become evident that adopting alternative forms of regulation for the LECs is the appropriate decision for us to make at this time.

GTE seeks to continue under the Modified Plan, with certain alterations. We agree with some of the recommended changes proposed by GTE and others, will alter the Modified Plan accordingly, and, as mentioned above, will henceforth refer to the altered Modified Plan as the Earnings Incentive Plan.

We agree with GTE that the authorized return on equity should be calculated annually by formula rather than by the table currently incorporated in the Modified Plan. A formula to accomplish this proposal was provided by the Staff in its brief, and we have incorporated similar language in the GTE and Earnings Incentive plans. However, we have added language to prevent the formula from producing a negative risk premium, because such a result is not

consistent with sound financial principles. We also agree that the range for return on equity should be expanded, but only to 300 basis points, not 400 basis points as proposed by GTE.

In establishing the return on equity index in the Modified Plan, we used as a starting point a 2.5-4.5 percent risk premium range applicable to a yield on 30-year Treasuries of approximately 10 percent. To accomplish a 300 basis point range, we will widen the risk premium range to 2-5 percent and will adjust it annually to reflect current market conditions. We will continue to apply the concept of an inverse relationship between the Treasury yield and the risk premium. We will apply a 50 basis point change in the risk premium for each one percentage point change in the Treasury yield in the opposite direction. We will also continue to base the Treasury yield calculation on an average of the 30-year Treasury constant maturity bond yields for the months of September, October, and November. As in the Modified Plan, the allowed return-on-equity range will also be used to evaluate earnings if a company requests a rate increase while remaining in the GTE or Earnings Incentive plans.

The Staff proposed an adjustment to the allowed equity return range for companies with equity ratios outside a range of 50-60 percent. This adjustment would lower the allowed return for companies with equity ratios above this range, and vice versa, in recognition of the link between financial risk and the required return on equity. We will not adopt the Staff's adjustment at this time. However, if GTE's financial risk (or that of any LEC participating in the Earnings Incentive Plan) changes significantly, we will revisit an appropriate range for its allowed equity return.

For the GTE and Earnings Incentive plans, we also must resolve the issue of whether to change to a hypothetical capital structure, or to otherwise adjust the capitalization ratios, to reflect a lower level of common equity. We choose to continue using the LEC's 13-month average ratemaking capital structure. Although we recognize that the LECs are not completely independent of their parent companies with respect to capital structure decisions, we believe the return on equity we are adopting for the Earnings Incentive and GTE plans is consistent with the risk displayed by LECs' actual capitalization ratios. As we noted in our decision in Case No. PUC920029, the telecommunications industry has deviated far from what was once a traditional monopoly, and our decision on the cost of capital appropriately reflects that change. However, as in our decision to reject Staff's proposed adjustment for financial risk, changes in the capital structure of any company participating in the GTE or Earnings Incentive plans may be revisited if the balance between the capital structure and the allowed return on equity becomes skewed in the future.

GTE's remaining proposals are not adopted. We have expanded its authorized return-on-equity range and see no reason to implement a sharing mechanism for earnings below or above that range. Also, GTE has requested the authority to seek rate increases to noncompetitive services without imputing competitive revenues, costs, and rate base "above the line." For the GTE Plan and the Earnings Incentive Plan, we will retain the existing imputation and other rate increase requirements of the Modified Plan. Nor will we alter the requirement to impute to noncompetitive services an amount equal to 25% of Yellow Pages' advertising income available for common equity.

As altered above, the GTE Plan and the Modified Plan (now the Earnings Incentive Plan) are currently identical. GTE may operate under its Plan commencing January 1, 1995, and the Earnings Incentive Plan will be available for the remaining LECs if they choose it prior to January 1, 1995, or pursuant to § 56-235.5C, or, upon Commission approval, if their own plan is revoked under Virginia Code § 56-235.5D. However, the two plans need not remain identical. The GTE Plan and the Earnings Incentive Plan are free to evolve in different directions, in accordance with § 56-235.5B.

Regardless of the specific company involved, or the particular alternative regulatory plan in effect, we will require ongoing financial, economic, and accounting monitoring. For the GTE and Earnings Incentive plans, the requirements will remain the same as those in the Modified Plan, except for the addition to Paragraph 10 requiring the filing of the FCC/SCC Form M, the FCC Automated Reporting Management Information System Report 43-02, the SEC Form 10-K, and the annual reports. For the price indexing plans (the Bell Atlantic - VA and United/Centel plans), the following must be filed with the Commission: (1) SEC Form 10-K for both the parent holding company and the LEC; (2) FCC/SCC Form M and the FCC Automated Reporting Management Information System Report 43-02 (to be filed only with the Commission's Division of Public Utility Accounting); (3) the annual reports to stockholders for both the parent holding company and, if available, the LEC; (4) a Virginia company, per books, rate-of-return statement that provides financial data on a total-Virginia, total-service basis, and on a Virginia-intrastate, total-service basis; (5) a 13-month average rate base statement; (6) a 13-month average capital structure statement; (7) on a proprietary basis, a quarterly schedule reporting units and revenue for Competitive services (to be filed only with the Division of Economics and Finance); and (8) an annual price list for Competitive services, excluding Yellow Pages (to be filed only with the Divisions of Communications and Economics and Finance). The rate-of-return, capital structure, and rate base statements must be filed quarterly for the first two years of the plans, and annually thereafter. Rate-of-return statements that include a cash working capital allowance as part of rate base must include a comprehensive lead-lag study to support it, including a balance sheet analysis.

Furthermore, all plans will include a requirement that the LEC will file, at the Staff's request, other information with respect to any services or practices of the company that may be required of public service companies under current Virginia law, or any amendments thereto. Any LEC that fails to provide, timely and accurately, required information will be subject to a Rule to Show Cause hearing.

Naturally, all companies will continue to be subject to Chapters 3, 4, and 5 of Virginia Code Title 56 as well.

IV.

SAFEGUARDS

In order to satisfy Virginia Code § 56-235.5H, to protect consumers and competitive markets, and to ensure that monopoly services do not subsidize competitive ones, we adopt the safeguards set out below.

One key safeguard for both customers and competitors that must be included in all plans adopted is the unbundling and tariffing of noncompetitive components of Competitive services. This concept is already incorporated in the Modified Plan, but it will be strengthened as suggested in the Staff post-hearing brief.

Prices of LECs' individual Competitive services must recover at least their incremental costs and, if noncompetitive services are a component of the Competitive service, the tariffed rates of the noncompetitive components must be imputed as part of the calculation of those incremental costs. LECs must

maintain studies demonstrating that any Competitive service's pricing meets or exceeds imputed costs plus incremental costs. LECs must respond within 30 days to any complaints alleging that a LEC has violated the imputation requirement.

The incremental costs to be included in this test of Competitive services' prices must incorporate certain principles proposed in the testimony of the AT&T, MCI, and Staff witnesses. These principles specify that incremental costs must be the long-run additional costs incurred to provide an entire service(s). While these costs do not include allocated joint and common overheads, they do include the costs of research and development, introductory activities, shared capacity, and other facilities and functions. Prior to January 1, 1995, Bell Atlantic - VA, United/Centel, and GTE must submit studies to the Staff that demonstrate that their Competitive services in the aggregate are priced at or above the incremental costs defined herein.

Competitive services need not be tariffed except when the service is competing with that of another provider required to file tariffs with this Commission for such service. Competitive services may be priced by the marketplace as long as the price charged for each service equals or exceeds an incremental cost floor, as discussed above.

The Commission's determination that a given service is Competitive will be applied on a statewide basis. Bell Atlantic - VA had requested authority to treat a service as Competitive in one area of the Commonwealth and noncompetitive in the remainder. This treatment would require a geographic distinction in our determination of Competitive services, and would have allowed, for example, pricing freedom to meet competition in metropolitan areas where competitors tend to emerge first. A better method for the companies to meet isolated competition for individual customers is already present in the Modified Plan: the use of individual-case-basis ("ICB") pricing. When a LEC faces an instance of a customer with a competitive alternative for a BLETS or Discretionary service, the LEC will continue to be allowed to offer an ICB contract in response to such competition. ICB pricing will be allowed subject to the following safeguards: (1) the LEC must demonstrate that a competitive alternative exists for the customer offered the ICB contract; (2) the LEC must demonstrate that the rate is above or equal to long-run incremental costs, as discussed below, including any imputed prices of noncompetitive components; and (3) the LEC must file a copy of the ICB contract, under proprietary protection, with the Commission's Division of Communications.

Regarding the timing for unbundling noncompetitive components, there will be two requirements: one relating to Competitive services offered by the LEC, and the other for unbundling requests that are not related to the LEC's Competitive service offerings. A LEC will be required to offer an unbundled, noncompetitive component(s) before it begins to offer the related Competitive service(s). For reasonable requests to unbundle noncompetitive components that are not related to any LEC Competitive service offering(s), the LEC will be required to unbundle within a reasonable time. Also, we will not adopt Bell Atlantic - VA's proposal that competitors be required to show that a component(s) for which unbundling is being sought is necessary, that it is available only from Bell Atlantic - VA, and that no economically viable alternative exists. We believe that Bell Atlantic - VA is adequately protected by the ability to recover its costs through the separate tariffing of any identified noncompetitive components. The determination of whether a component is noncompetitive will be made using the same service category definitions discussed previously.

We will not adopt recommendations to require resale of LEC Competitive services because we do not believe that such a requirement is necessary to protect competition. However, as is true for the interexchange carriers, the LECs may offer their Competitive services for resale if they so choose.

We are amending in this case, effective for test years beginning January 1, 1995, the cost allocation principles and guidelines adopted in Case No. PUC890014 and have attached them hereto (see Attachment 1). These principles and guidelines will apply to the GTE Plan and the Earnings Incentive Plan. We do not believe that cost allocations are required for price indexing plans, such as the Bell Atlantic - VA and the United/Centel plans, because earnings measurements for specific groups of services are not required for such plans.

Before closing our discussion of regulatory safeguards applicable to alternative methods of telephone company regulation, we wish to address a matter that was brought to the forefront by events which began to unfold shortly after the hearings in this case ended. Those events were specifically related to Virginia's largest electric utility, Virginia Power, and its holding company, Dominion Resources, Inc., but the issues there have obvious implications for the telephone companies before us in this proceeding as well.

The Virginia Power matter is the subject of two currently pending proceedings, Case No. PUE940040 and Case No. PUE940051. The subjects of concern in those cases are clearly set forth in our orders and other documents in those files, and we will not discuss them at length here. As a result of that inquiry, the situation regarding Virginia utilities which are owned by non-utility holding companies is currently receiving considerable attention from the Commission and its Staff.

High as the level of concern is with regard to that electric utility, the telephone companies in this proceeding all share another significant attribute not present regarding Virginia Power. That is, while Virginia Power's parent is a domestic corporation, all of the utilities before us here are owned by holding companies incorporated and domiciled outside Virginia.

The Virginia Constitution, Article IX, § 5, provides:

> No foreign corporation shall be authorized to carry on in this Commonwealth the business of, or to exercise any of the powers or functions of, a public service enterprise...

Suggestions have been made in the Virginia Power case that certain activities of Virginia Power's parent may have brought it within the ambit of Virginia Code § 56-232, which defines a "public utility" as:

> ...every corporation...that now or hereafter may own, manage or control any plant or equipment or any part of a plant or equipment within the Commonwealth for the conveyance of telephone messages or for the production, transmission, delivery, or furnishing of heat,...light, [or] power,...either directly or indirectly, to or for the public.

In addition, Virginia Code § 13.1-620 declares that no corporation has the power to conduct a public service business or to exercise any of the privileges of a public service company unless its Articles of Incorporation specify such a purpose.

Certainly, the present proceeding implicated few, if any, issues and legal provisions of the type mentioned above, and we consequently take no substantive action or position in this case related thereto. We do, however, highly commend such matters to the attention of the telephone companies here, and their parents. We will be monitoring carefully all information relevant to this subject, and we will make formal inquiry of such issues if appropriate. These concerns will clearly form part of the backdrop as we carry out our on-going responsibilities under Virginia Code § 56-235.5, especially subsections D (amendment or revocation of alternative regulatory methods previously approved), G (declassification of competitive services), and H (safeguards).

V.

CLASSIFICATION OF SERVICES

The classification of specific telecommunications services was also an issue in this case. For Bell Atlantic - VA, the Commission has determined that Bulk Special Access in Virginia will remain classified as a Discretionary service because competition is in its early stages for these services. Single Special Access will remain classified as Basic (now "BLETS") because competition is also just beginning. We find that when an appropriate market definition is used, the results show that Bell Atlantic - VA currently controls at least 94% of the Special Access market in its Virginia territory. Thus, it is too soon to reclassify these services because competition is not yet effectively regulating their prices. We will reconsider reclassification in the future as competition increases.

We will also not accept the Bell Atlantic - VA recommendations to reclassify the following services as Competitive: Bulk Private Line, Repeat Call, White Pages Bold Type, and Public Pay Telephone service. Competition in the Bulk Private Line market can come only from private carriers and customers themselves because certificated interexchange carriers are currently not allowed to provide intraLATA private line services in Virginia. This specialized, sporadic competition cannot be expected to control the prices of Bulk Private Line services.

Bell Atlantic - VA argues that the redial button found on many telephones is competitive with Repeat Call; however, this button merely allows the customer to touch one button instead of seven or more. Thus, the redial button is not a substitute for a network service that determines whether the called number is available before completing the call.

There are no substitutes for White Pages Bold Type listings, so there are no competitors to regulate pricing. Thus, this service must remain Discretionary.

Public Pay Telephone communications are services provided from pay telephones and should not be confused with the establishment of pay telephone locations. The latter is a competitive activity, but the local and intraLATA calling from public pay telephones has no competition because of statutory and regulatory bans. Therefore, these services must remain in the BLETS category.

The Commission is reclassifying ISDN as BLETS because there currently are no substitutes available for any customer for which ISDN voice and data capabilities are a necessity. Until other local networks are available, this will remain a BLETS service.

Other services that will be reclassified as BLETS herein include: Touch Tone, which is universally available and used; Messaging Service Interface, which is required by messaging service providers and is not optional for them; and Operator Verification, which is a monopoly service.

The Bell Atlantic - VA services that will be reclassified herein as Competitive include: (1) Billing and Collection Recording, because an interexchange carrier may choose to record its own calls, which should place sufficient pressure on the LEC to control prices; (2) Call Restriction and Long-Distance Message Restriction, because many customer premises devices are substitutes; (3) Yellow Pages additional listings and bold type, because they are a part of Yellow Pages advertising and should be classified in the same manner; and (4) Public Telephone Location, because there are numerous public pay telephone providers in Virginia. We are making such reclassifications because we find, pursuant to Virginia Code § 56-235.5E and F, that competition for such services is or can be an effective regulator of the price of these services, and we find it in the public interest to detariff those services.

The following services will either be reclassified to or will remain classified as Discretionary: (1) Bulk Private Line, as mentioned above; (2) Bulk Special Access, as mentioned above; (3) FDDI/FNS, Frame Relay Service, and SMDS -- these services are communications between points within a LATA, and there currently is an intraLATA competition ban; (4) Repeat Call, as mentioned above; and (5) White Pages Bold Type, as mentioned above.

United/Centel requested several reclassifications. We will reclassify Call Within, Billing and Collection Recording, and Emergency 911 service (automatic location identification and selective routing) as Competitive, because we find that competition is or can be an effective regulator of the price of those services, and we find it in the public interest to detariff those services. All other United/Centel services classifications from the Modified Plan will remain in effect in the United/Centel Plan.

The following services are classified as Competitive for all LECs pursuant to § 56-235.5F. They were initially so classified at the beginning of the Experimental Plan, remained so classified on July 1, 1993, and we have received no evidence that would compel us to make any changes thereto: Yellow Pages advertising, Customer Premises Equipment, Inside Wiring services, CENTREX intercom and features, Billing and Collection (processing, rendering, and inquiry), Mobile services, Paging services, Speed Calling (also known as Speed Dialing), Apartment Door Answering, and Central Office LANs. We also find, pursuant to Virginia Code § 56-235.5E and F, that competition for these services is or can be an effective regulator of the price of those services and that it is in the public interest to detariff these services.

For GTE, telecommunications services will remain categorized as they were in the Modified Plan, except we find that Billing and Collection Recording and Originating Toll Restriction shall be classified as Competitive, because competition is or can be an effective regulator of the price of those services, and we find it in the public interest to detariff those services.

VI.

OTHER ISSUES

The Attorney General has suggested that depreciation should continue to be regulated fully even for LECs operating under price indexing plans. We disagree. The Attorney General's concerns are that LECs will be able to circumvent earnings standards by manipulating depreciation rates. However, under price indexing plans, there are no earnings standards, because earnings are not regulated under these plans. Thus, there is no compelling reason to continue the rigorous depreciation review and approval process for Bell Atlantic - VA and United/Centel. We will, however, monitor depreciation expenses and rate changes under those plans, and regulatory approval of depreciation will continue to be required under the GTE and the Earnings Incentive plans because earnings are regulated under these plans.

An issue of concern to the interexchange carriers, access pricing, was raised in this case. However, a pending case already addresses this topic. Upon the implementation of the plans adopted in this case, we will proceed to consider access pricing in Case No. PUC880042.

VII.

CONCLUSION

The plans we have adopted herein meet the statutory requirements of Virginia Code § 56-235.5 because we find that they: will protect the affordability of BLETS, will reasonably assure the continuation of quality telephone service, will not unreasonably prejudice or disadvantage customers or competitors, and will be in the public interest. Furthermore, we find that the safeguards included in the plans will protect against cross-subsidization of competitive services by monopoly services and will protect consumers and competitive markets. Finally, we find that competition or the potential for competition in the marketplace is, or can be, an effective regulator of the price of those services listed in the Competitive column of the attached lists of Market Classifications of Services, and that it is in the public interest to detariff these services. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the Bell Atlantic - VA (Attachment 2), United/Centel (Attachment 3), and GTE (Attachment 4) plans as modified herein are hereby adopted and shall become effective January 1, 1995, should those companies elect to adopt such plans, and companies shall notify the Commission, in writing, of such election no later than December 1, 1994;

(2) That the Modified Plan is hereby amended and adopted as the Earnings Incentive Plan (Attachment 5), and shall be available to any LEC that would prefer this alternative or, upon Commission approval, to any LEC whose plan is altered or revoked pursuant to Virginia Code § 56-235.5D;

(3) That Touch Tone service and rates for those LECs opting for a price indexing plan will be altered as indicated herein;

(4) That we hereby direct the LECs to expand the Virginia Universal Service Plan to include food stamp recipients, and the LECs and the Staff are hereby directed to explore the feasibility of expanding VUSP eligibility to other low-income Virginians;

(5) That the LECs shall work with the Staff to develop and implement a method to disseminate information to consumers regarding lower-priced options for local service;

(6) That prior to January 1, 1995, the LECs must submit studies to the Staff that demonstrate that their Competitive services in the aggregate are priced at or above the incremental costs defined herein; and

(7) That there being nothing further to come before the Commission in this case, this proceeding is closed and the record developed herein shall be placed in the file for ended causes.

MOORE, Chairman, dissents:

I

Introduction and Summary

An ever expanding communications network is making possible a global community united by almost instantaneous access to information and analysis. Now, and even more so in the future, the success of individuals, businesses, states and nations will rest, in substantial part, on telecommunications. Those with superior knowledge and infrastructure will be able to compete; those without adequate access will fall behind. This is true for Virginia citizens, Virginia businesses and the Commonwealth itself. How the Commission responds to the issues presented in this docket will have a profound effect on the future.

For decades rates and services of local exchange telephone companies ("LECs") were regulated by the Commission under rate base, rate of return regulation. The purpose of this regulation was to ensure that ratepayers not be subjected to monopoly pricing -- inflated rates resulting from the availability of service from a single monopoly provider. Such regulation is designed to serve as a substitute for competition.[1]

Competition in the telecommunication industry began developing in the interstate long distance market before the break up of the Bell System in 1984. Since that time, competition in certain areas has expanded. As in most states, in Virginia there is competition in the interLATA long distance market[2] and there is

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[1] James C. Bonbright, *Principles of Public Utility Rates* 17 (2d ed. 1988).

[2] Va. Code § 56-265.4:4.B. empowers the Commission to grant certificates of public convenience and necessity to competing telephone companies for interexchange service. *See, Applications of SouthernTel of Virginia, Inc., et al., For certificates of public convenience and necessity to provide inter-LATA,*

some competition in certain other areas involving local telecommunications.[3] Local exchange telephone service is, however, still a monopoly granted and protected by the Commonwealth.[4]

In 1993 the General Assembly enacted § 56-235.5. of the Code of Virginia which allows the Commission to adopt alternative forms of regulation for local exchange telephone companies if we find the alternative regulatory plans meet certain specific standards or criteria. To be approved, a plan must protect the affordability of basic service, assure the continuation of quality local service and be in the public interest. In addition, the Commission must find that the plan will not unreasonably prejudice or disadvantage any class of telephone customers or other providers of competitive services. We must also adopt safeguards to protect consumers and competitive markets.

Given the critical importance of telecommunications to the Commonwealth and her citizens and the enactment of § 56-235.5. of the Code of Virginia, the public interest requires that the Commission's actions in the field of telecommunications be designed to do three things. First, we must protect the consumer until competition can provide that protection. Second, we must prevent the use of monopoly power to destroy, limit or inhibit the competition that can legally exist at the local level and we must prevent the use of such power to position an entrenched company unfairly for the time when competition does emerge. Finally, we must ensure to the extent possible that our telecommunications infrastructure is improved and that Virginians have available, at reasonable rates, the telecommunications technology and innovations that will enable us to compete in a modern world.

The majority Order approves two price cap plans and what is termed the Earnings Incentive Plan. As explained in some detail in Sections II through IV, I must conclude that the majority Order violates the spirit and letter of § 56-235.5. of the Code of Virginia, fails to protect consumers and will allow the use of a state granted and protected monopoly to extract excessive profits from customers, will impede and limit the development of competition, innovations and infrastructure in Virginia, and does not require the LECs to deploy any new technology or facilities in Virginia.

First, these plans fail to protect consumers. The majority approves as the starting point for the price cap plans current LEC rates[5] which have not been thoroughly examined for a decade. Given the fact that telecommunications is a declining cost industry, current rates could be well above the cost of providing service. Approving these rates now, without examination, will allow any excessive monopoly profits in current rates to be perpetuated without any chance of detection.[6] The matter is exacerbated by provisions which allow these rates for monopoly local exchange services to be increased without regard to increases in costs.[7] This refusal to examine the initial price cap rates and the price increase mechanisms violates the statute's requirements to protect customers and consumers.

Second, the failure to examine and set initial price cap rates based on cost will allow the LECs to use any excessive monopoly profits to cross subsidize competitive services, thus impeding competition and failing to provide the specific safeguard required by law to "assure that there is no cross subsidization of competitive services by monopoly services."[8]

Third, the plans also fail to provide for the infrastructure necessary to assure "the continuation of quality local exchange telephone service" as required by the statute.[9] The plans grant to the LECs, at their request, great freedom in earnings and pricing, which they say will enable them to make the necessary investments in new technology. Unlike the plans of other states, however, there is no obligation on the part of the LECs to invest one dollar in Virginia. Thus, if

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inter-exchange telecommunications service and to have rates established on competitive factors; Case Nos. PUC840020, PUC840022, PUC840024, PUC840025 and PUC840027, 84 S.C.C. Ann. Rpt. 333, 62 PUR 4th 245 (August 22, 1984). Although competition was authorized in 1984 and equal access is now available to almost all customers, after a decade of intense effort by the new entrants, AT&T carries well over 50% of the intrastate interLATA interexchange calls. "The InterLATA Market in Virginia," Quarterly Release, Division of Economics and Finance, State Corporation Commission (10/7/94).

[3] These may include such services as speed calling, CENTREX Intercom & Features, and call restriction. While the LECs tried to suggest in this case that there is actual competition for local exchange service in the form of Competitive Access Providers ("CAPs") and wireless service including cellular and Personal Communications Services, this simply is not correct. For example, Bell Atlantic-Virginia, Inc. ("BA-Va.") argued that because of CAPs, Special Access should be termed competitive. The majority correctly found, at page 22 of their Order, that BA-Va. "controls at least 94% of the Special Access market in its Virginia territory" and that the service could not be reclassified as competitive. Clearly there is not yet competition in the access market. As for wireless facilities, there was no showing that wireless usage is competing with the local exchange provider. Customers are not replacing the phones in their homes with bag phones or making all of their calls from their cars. Indeed, the LECs benefit from the increased usage of wireless facilities. In addition, of course, affiliates of the LECs are often in the wireless business.

[4] Va. Code § 56-265.4:4.A. provides that the holder of a certificate of public convenience and necessity for local exchange telephone service in a specific territory shall be the only provider of such service, unless the Commission finds the service of the certificate holder to be inadequate. Even if the Commission makes such a finding, the certificate holder must be given a reasonable time and opportunity to remedy the inadequacy before a certificate of convenience and necessity may be granted to a second party proposing to operate in that territory. Although the LECs discussed the threat of competition from cable television companies and interexchange companies they had to acknowledge that there were legal barriers to this competition. *See,* e.g., Post Hearing Brief on Behalf of Bell Atlantic-Virginia, Inc., June 10, 1994, at 10 et seq. and Trial Brief on Behalf of GTE South Incorporated and Contel of Virginia, Inc., June 10, 1994 at 3.

[5] Charges for Touch Tone service will be eliminated.

[6] For a more complete discussion of issues related to the establishment of initial rates, including the requirement of a complete examination of current rates, see "Establishment of Initial Rates," Section II, B., *infra.*

[7] For an examination of primary issues related to increases under the price cap plans see "Price Increases for Discretionary Services," "Revenue Neutral Price Restructuring," "Moratorium Periods," and "The Price Change Mechanism" in Section II, C., D., E., and F., *infra.*

[8] For a discussion of certain issues related to prevention of cross subsidies, see "Prevention of Cross-Subsidies" at Section II, G, *infra.*

[9] For a discussion of issues related to the continuation of quality local exchange telephone service, see "Infrastructure Investment not Assured," and "Continuation of Quality Service" in Section II, subsections I. and J.2., *infra. See* also, Code § 56-235.5.B.(iii).

funds for infrastructure become scarce, the LECs may be forced to invest in states where they have an obligation rather than Virginia where the greater need may be.

The failings of the plans approved by the majority are not of mere academic or theoretical concern. The harm will be real and could be substantial. First, the plans will require Virginia citizens and businesses to pay what may well be excessive rates. This is contrary to the law and poor policy.

In addition, these plans will not only hurt individual Virginia citizens, they are detrimental to Virginia business, economic development, and the Commonwealth itself. Excessive telecommunications costs will, of course, be a hindrance to Virginia businesses as they compete in the global market. Of at least equal importance is the assured availability of technology and infrastructure. As stated above, the plans do not require the LECs to invest in infrastructure or technology in Virginia, nor do the plans provide appropriate incentives otherwise to ensure that Virginia will be on the cutting edge in telecommunications. If Virginia falls behind, catching up could be expensive in terms of lost opportunities and lost jobs.

Given the actions of the majority in approving the alternative plans and the essential role that competition must play in protecting the public interest, it is important that the General Assembly act as soon as possible to authorize and encourage competition at the local exchange level. Under the majority approved plans, the LECs will be treated as if competition exists, and yet the competitive pressures to reduce or hold down rates while improving infrastructure and service are not, and will not be, present. Indeed, the plans approved by the majority further entrench monopoly providers which will inhibit, rather than promote, competition. This places the public at risk. The General Assembly should authorize local exchange competition so that competition can protect the public, spur investment and innovation, and hold down rates. Further, care should be taken not only to allow competition, but to encourage and foster it as well.

II

The Price Cap Plans

The price cap plans should not have been allowed in the form approved by the majority, particularly given the lack of competition for the provision of local services. I find the approved plans not only contrary to the law and detrimental to the public interest, but also not well crafted or well structured. Further, the majority Order gives little reason for their approval and almost no rationale for many decisions that were made.[10]

The major deficiencies in the price cap plans are identified below, as well as a summary of why, in my view, the plans are contrary to the provisions of § 56-235.5. of the Code of Virginia.

A. The Price Cap Plans Are Premised on Competition for Local Exchange Service Which Does Not Exist.

There is one fundamental flaw underlying the price cap plans approved by the majority which may explain, in part, the excessive earnings and pricing freedoms allowed by the plans. The plans, in theory and practice, must be premised on active competition for local exchange service. Indeed, according to the majority, the plans are aimed at allowing the LECs to respond to competition. For example, at page 11 of the Order, the majority states:

> [T]he plans benefit the public interest by providing the LECs the flexibility they need to respond to the increasingly competitive telecommunications market in a manner similar to that of their unencumbered competitors.

The "unencumbered competitors" cannot and are not providing local exchange service because the law prohibits it. The LECs are allowed the "flexibility" to continue to extract monopoly profits from local exchange service[11] and yet, local exchange competition does not and, at present, cannot exist.

Competition for local exchange service is not legally permissible,[12] and Appendix A of the plans approved by the majority shows, beyond question, that local exchange service is still, in fact, a monopoly. In Appendix A, the majority lists the services that they deem to be competitive and those that are still monopoly services[13] because either only the LEC can provide the service or there is not sufficient competition or potential competition for these services to regulate their price. For BA-Va., the majority specifically found that 16 services or groups of services were "Competitive".[14] These services include such items as "Speed Calling" and "Apartment Door Answering." The majority found, however, that 88 of BA-Va.'s services or groups of services were monopoly services.[15] These included those services that are critical to each of us in our daily lives, including, fundamentally, basic local telephone service. The majority's

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[10] It appears that certain provisions in one plan are different from another with the only probable explanation being simply that the companies requested different regulation. Sometimes this was beneficial to one company as opposed to another and, other times, it was not. The differences were not supported by the record or any rationale by the majority and will lead to unanswered questions in the future. For example, under the BA-Va. Plan for Alternative Regulation ("BA-Va. Plan"), rates for Basic services are to be frozen until the year 2001 while under the Alternative Regulation Plan for Central Telephone Company of Virginia ("Centel") and United Telephone-Southeast, Inc. ("United") ("United/Centel Plan") the moratorium extends until 1998. BA-Va. Plan at ¶ 6; United/Centel Plan at ¶ 6. As shown in Section II. E., *infra*, there is no rationale for this difference. One must wonder if BA-Va.'s moratorium would have been permitted by the majority to end in 1998 if only the company had asked. When Basic rates begin to increase three years earlier for United/Centel than for BA-Va., there will be no answer to the question: "Why?"

[11] *See* "Establishment of Initial Rates," Section II.B., *infra*.

[12] *See* note 4, *supra*.

[13] Such monopoly services on Attachment A are referred to as "Discretionary" or "Basic Local Exchange Telephone Services" ("BLETS").

[14] *See* BA-Va. Plan, Appendix A. The "competitive" list includes BA-Va.'s Inside Wire Maintenance plans and "Yellow Pages Advertising" which are clearly not competitive. *See* Section IV, *infra*.

[15] BA-Va. Plan, Appendix A.

findings were, of course, similar for United/Centel.[16] Thus, for example, when the majority analyzed the more than 100 services or groups of services offered by BA-Va., it could find only 16 which they viewed as competitive. Further, the record revealed that no competitive services or products have been introduced by the LEC participants in this case since 1991.[17] Local exchange service simply is not competitive. The LECs are still monopolies, providing monopoly services.

At page 12 of the Order, the majority again refers to competition, this time comparing the present situation to the circumstances of interLATA competition in 1984:

> In 1984, when we changed our regulatory approach regarding interexchange carriers, competition among them was in its infancy. We monitored the evolving market place and retained the ability to reregulate if AT&T's market power had begun suppressing competition. We are facing a similar situation today with the LECs, and as was true regarding the interexchange carriers, we believe that, over time, it will become evident that adopting alternative forms of regulation for the LECs is the appropriate decision for us to make at this time.

The facts could not be more different today than they were in 1984. In 1984 the General Assembly authorized competitive interexchange carriers, effective July 1, 1984, so that there could be competition in the intrastate interexchange market, where all competitors could reach the customer through the LEC. Today, local exchange competition is still illegal and, because of the facilities required to reach the customer, competition could be slow to develop even after it is allowed.

The plans adopted by the majority are based on a false premise, the existence of competition to provide basic local exchange service. The plans approved by the majority, with significant modifications, could be an appropriate regulatory response to a legal change which would allow and foster competition at the local exchange level. At present, however, the plans simply, unnecessarily, lock in what may be excessive profits and free up the LECs to increase these profits to the detriment of customers, competitors, potential competitors, and the public.

B. Establishment of Initial Rates

The price cap plans approved by the majority continue existing rates[18] for BA-Va. and United/Centel without examination. This action violates the law, will hinder competition, is contrary to sound economic policy and, in my opinion, abrogates our responsibility.

Code § 56-235.5.H. requires the Commission to "adopt safeguards to protect consumers and competitive markets. At a minimum these safeguards must assure that there is no cross subsidization of competitive services by monopoly services." The rationale for requiring safeguards against cross subsidies was succinctly stated by several witnesses.[19] Promoting competition requires efficient, cost-based, pricing policies for non-competitive services. The decision to enter a market will be driven not only by the barriers to entry, but also by existing prices. If the existing prices are set either too high or too low, distorted signals will be sent to potential entrants. These signals can lead to an inefficient industry structure with society paying for the inefficiencies.[20] Thus, in order to promote the development of competition, it is necessary to set prices for non-competitive services based on their costs of production.

Not only sound economic policy, but fundamental fairness and the statute require that initial monopoly rates in a price cap plan be set based on cost of service such that the rates afford the LEC the opportunity to earn a reasonable return.[21] No one can, or did, disagree with this basic premise. For example, BA-Va.'s principal economic witness, Dr. Robert G. Harris, specifically agreed that the Commission should satisfy itself "as to rates, the profitability, and a reasonable rate of return."[22]

The sole question which then remains is whether the Commission has determined that the current rates are proper or can do so without a full examination. The answer to that question is no. The Commission has not had a proceeding that would allow it to know whether the rates are too high or too low and it cannot make that determination without a full examination.

A brief review of the history of the little we do know of the LECs' costs and rates and the Commission's denial of various requests for examination of these matters reveals why there can be no other answer to this question. First, for example, incredible as it may seem, BA-Va., one of the largest utilities in the

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[16] United/Centel Plan, Appendix A.

[17] Ex. MHK-30, at 21.

[18] Charges for Touch Tone service will be eliminated.

[19] Ex. DLK-52R, at 4-5; Ex. MHK-31R, at 11-12; and Ex. DJW-56R, at 21-28.

[20] If the monopoly price is above costs, new firms will be encouraged to enter the market even though their costs are above those of the monopoly. This, of course, can raise overall industry costs and entice competitors who cannot survive in the long run. On the other hand, if prices are set below cost, potential entrants will be discouraged from entering the market even though their costs are below those of the incumbent monopoly. Again, society loses because the new, lower cost, firm cannot enter the market.

[21] For example, § 56-235.5.B. (iii) requires that we find that the plans will not unreasonably prejudice or disadvantage any class of telephone customers or other providers of competitive services and § 56-235.5.H. requires us to adopt safeguards to protect consumers and competitive markets which "at a minimum . . . assure that there is no cross subsidization of competitive services by monopoly services." The only way consumers and competitors can be protected from the extraction of monopoly profits and thus unreasonable prejudice or disadvantage is for the Commission to determine that the initial rates are just and reasonable. The only way that competitive markets can be protected is for prices for monopoly services to be based on costs. If prices for monopoly services are above cost of service levels, there must be excessive monopoly profits. If there are such monopoly profits, there can be "cross subsidization of competitive services by monopoly services" in violation of § 56-235.5.H.

[22] Tr. 390.

Commonwealth, had its last rate case examination in 1983,[23] more than a decade ago. BA-Va.'s rates have not been scrutinized by this Commission in the context of a full rate proceeding since that time. By contrast, other large utilities in the Commonwealth have been subject to regular, continuing examination,[24] as the LECs should have been.[25] This failure to examine the rates is not because requests were not made; such requests were made but were turned down, sometimes with an indication that the review would come later.[26] The full examination never came and now, under the majority's plans, the rates will never be reviewed.

Not only has there been no full rate examination for more than a decade, much has changed that requires that examination. First, since the last full rate examination, the telecommunications industry has been a declining cost industry. Simply to say that rates did not rise or actually declined somewhat during this period is no assurance that ratepayers are not paying excessive rates. Local exchange service has been and remains a monopoly. If costs declined, rates should have been reduced[27] as they would have been in a competitive market. For example, no one is paying today, in nominal or real dollars, what a purchaser did for a computer in 1984. As the costs to produce computers declined, the competitive marketplace ensured that computer prices did too. Such should have also been the

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[23] *Application of Chesapeake and Potomac Telephone Company of Virginia*, Case No. PUC830029, 1983 S.C.C. Ann. Rpt. 307 (December 22, 1983). BA-Va. was formerly known as "C&P Telephone."

[24] For example, costs of another of the Commonwealth's largest utilities, Virginia Electric and Power Company, have been under almost constant review since 1984. Virginia Power's costs and rates have been subject to examination in rate cases in 1984 (a case that did not conclude until 1986), 1987-88, 1988, 1989-90, 1990-91, 1991-92, and 1992-94.

[25] That the LECs did not request rate relief does not decrease the need for an examination of rates and costs. This fact may well have indicated that the LECs' costs were falling rapidly and their earned rates of return were spiraling upward. Commission Staff review of financial statements does not satisfy the need for a full examination. The routine reviews by Staff are based on "booked" figures without full examination. It is these booked figures which contain, for example, the affiliate expenses.

[26] Dr. Harris of BA-Va. did not appear to be aware of the requests for a full examination of the LEC's costs and rates. As such, he suggested that those who were requesting the examination now might be mere obstructionists. He wondered aloud why these complaints and requests had not been made earlier. (Tr. 390-91). In fact, the requests were made earlier. For example, in 1986 the Department of Defense and all other executive agencies of the United States sought to have an investigation of C&P's (now BA-Va.'s) rates. The request was denied with the statement that rates would be reviewed as part of a review of the company's Annual Informational Filing. *Commonwealth of Virginia, ex rel. Department of Defense, General Services Administration, and all other Federal Executive Agencies of the United States v. Chesapeake and Potomac Telephone Company of Virginia*, Case No. PUC860018, 1986 S.C.C. Ann. Rpt. 239. No full examination was made and no hearing held.

In March 1989, the Attorney General of Virginia also petitioned the Commission. The Attorney General alleged that the rates of the LECs were unjust and unreasonable. The Commission dismissed the petition, saying in part:

> The Commission will evaluate the telephone companies' 1989 earnings when the companies submit annual informational filings in 1990 under Paragraph 16 of the Plan. By that time, the Commission also expects to have completed its cost allocations process pursuant to Case No. PUC890014. After costs have been properly allocated between actually competitive services and the remaining regulated services and the filing of AIFs for the test year 1989 it may be proper to revisit whether the 12 to 14% return on equity is appropriate for the companies' earnings from regulated services. In the meantime, ratepayers will be protected from the possibility of excessive earnings by the interim nature of the rates and the obligation to refund any excessive earnings. . . .

Commonwealth of Virginia, ex rel. The Division of Consumer Counsel, Office of the Attorney General v. The Chesapeake and Potomac Telephone Company of Virginia, Central Telephone Company of Virginia, Contel of Virginia, Inc., GTE South, and United Inter-Mountain Telephone Company, Case No. PUC890011, 1989 S.C.C. Ann. Rpt. 215, at 216.

When rates were reviewed under the Experimental Plan, booked figures were used, ratemaking type inquiry from Protestants was prohibited and it was made clear that the proceeding was not a rate case where there would be a full examination of the rates. In its Order Scheduling Hearing in Case No. PUC900045, in which C&P (now, BA-Va) moved to have its 1989 rates made permanent, the Commission wrote:

> In the circumstances, we are constrained by the terms of the Plan. Its terms govern this case, and a number of issues raised by the parties opposing C&P's motion are outside the terms of the Plan. Accordingly, we will exclude, as appropriate, some issues from this case, for the reasons discussed below. . . .
>
> Paragraph 18 of the Plan states: "During the trial period, the Company's approved return on equity will be set at a range of 12% to 14% on equity." This language leaves no room for an interpretation that the range can be changed in this case.
>
> Other ratemaking issues have been raised by the comments. . . . The limited filing requirements under the Plan reveal the limited nature of this case. It is not a rate case, but a proceeding to evaluate C&P's financial results under the terms of the Plan. . . . Accordingly, the provisions of Paragraph 16 should be interpreted to limit our inquiry here to exclude ratemaking issues like those raised by VCCC.

Application of the Chesapeake & Potomac Telephone Company of Virginia, Case No. PUC900045 (July 2, 1993) at 2-3. (Emphasis supplied.)

[27] According to information compiled by the Federal Communications Commission, between 1989, when basic local exchange rates became subject to regulation under the Experimental Plan, and 1992, other state regulatory commission orders in telephone rate cases resulted in net revenue decreases in excess of $1.8 billion. Ex. MHK-30, attached Exhibit _____(MHK-12). Such evidence strongly suggests that costs have declined during this period when our basic local exchange rates have not been decreased.

case for local exchange service, but it has been a monopoly; if costs actually declined, the rates should have been reduced by the Commission appropriately. However, under the majority's decision, we will never know whether Virginians were and are being overcharged, or, if so, by how much.

While we may not be able to correct what might have been overcharges of the past, we can at least try to avoid overcharges in the future. The information we have in this proceeding shows clearly that the examination which has not previously been made is now required. A review of BA-Va. data demonstrates this. Evidence received during the hearing showed that costs have changed dramatically for BA-Va. since its last rate case. For example, affiliate expenses as a percentage of total operations and maintenance expense has doubled since 1984. Further, the gross amount of these affiliate expenses runs to hundreds of millions of dollars.[28] These affiliate payments are made by BA-Va. to its parent Bell Atlantic and related affiliates. Notwithstanding the dramatic increase in expenses which the Commission is charged to scrutinize most closely,[29] these payments have not been thoroughly audited since divestiture.[30]

Specifically and explicitly, Staff accounting witness Kim Trimble confirmed that, for more than a decade, there has been no comprehensive audit or review to determine whether the payments made by BA-Va. to its affiliates are reasonable;[31] the Staff has not been directed to audit the figures in this manner.[32] Such affiliate expenses have not been examined as they are for other utilities, such as gas and electric companies.[33]

The failure to examine the affiliate expenses is particularly alarming in view of the dramatic increase in such expenses since 1984 and our statutory duty with respect to such expenses.[34] The Supreme Court of Virginia explained that the examination of such expenses is fundamental to ratemaking and our duty:

> A fundamental public policy underlies the stringent standard of proof enunciated in these statutes. The legislation makes clear that the General Assembly expects the Commission to scrutinize transactions between a utility and one of its affiliates. Such scrutiny is mandated because the contracting parties have a unity of interests and do not deal at arm's length. Thus, there exists the opportunity for double profit at the ratepayers' expense – a situation that does not exist when the parties to a transaction are independent of each other. The need for regulatory scrutiny of affiliate transactions has long been recognized. (Citations omitted; emphases supplied.)

Commonwealth Gas Services v. Reynolds Metals, 236 Va. 362 at 367, 374 S.E.2d 35 (1988). Affiliate expenses have not been scrutinized as required by law. Such scrutiny should be part of an overall rate examination of all LECs to establish the initial rates for any alternative regulatory plan.

In addition, the majority Order at pages 26-27 states that upon implementation of the plans, "we will proceed to consider access pricing in Case No. PUC880042." In that proceeding, presumably, access charges will be set based on factors which at least include cost. If access charges decline as expected, under Paragraph 8 of the price cap plans the LECs may seek to increase Basic rates to make up any deficiency. Witness Robert Woltz made it abundantly clear that BA-Va. would consider doing just that.[35] Mr. Woltz also said that if intraLATA calling is made competitive and BA-Va. lowers rates to meet the competition, it could request an increase in Basic rates to offset the revenue loss.[36]

The simple, fair answer to these issues is to have a full examination of rates before the initial price cap rates are set. This examination would not only be fair for the customers and competitors, but to the LECs as well. The Commission should consider not only cost decreases, but any revenue losses due to reductions in access charges, the elimination of Touch Tone charges mandated by the majority, and the impact of broadening access to the Virginia Universal Service Plan.

A comprehensive examination is required to determine appropriate initial prices for non-competitive services to comply with the statute, to foster competition and to protect ratepayers from monopoly pricing.

C. Price Increases for Discretionary Services

The price cap plans approved by the majority classify services as Basic, Discretionary, and Competitive. "Discretionary" services are said to be optional, nonessential enhancements to basic service. There may or may not be alternative suppliers of these services[37] other than BA-Va. and United/Centel, but

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28 Exs. KDT-3F and G show the precise figures. BA-Va. claimed that these exhibits were "proprietary" and should not be released. Although it would appear that the simple aggregate of all affiliate expenses would not be "proprietary," I will refrain from stating them based on the proprietary claim.

29 *See*, Va. Code § 56-76, et seq.

30 Tr. 1992-94; 2000-01.

31 Tr. 1992-94.

32 Tr. 2000-2001.

33 Tr. 1992-94.

34 See, Va. Code § 56-76, et seq.

35 Tr. 879-80. Paragraph 16 of the Plans may be intended to prevent this, but it is less than clear. If changes in access charges are to be exempt from the Revenue Neutral provision, the plans should say so.

36 *Id.*, at 880.

37 Staff witness Larry J. Cody appended a list of these discretionary services to his testimony. During the hearing, he testified that 33 of the 58 listed services could only be provided by the local exchange carrier. (Tr. 497-501)

by definition the prices charged by the LECs for their Discretionary services are not regulated by competition or potential competition. They are monopoly services. Under the approved price cap plans, prices for these monopoly services may be increased significantly faster than prices for Basic services. For example, BA-Va.'s plan permits Discretionary service prices to increase at the rate of inflation during 1995 and 1996, up to a maximum increase of 10%.[38] After January 1, 1997, BA-Va. may increase prices by up to 10% each year. If a price increase is deferred for a period, the increase may be up to .83% per month since the last increase, for a maximum increase of 25% at any one time.[39]

Historically, the LECs have charged prices well above cost for Discretionary services, using the excess profits to reduce rates for basic services. Accordingly, LECs were given the opportunity to enhance earnings from "optional, nonessential" services in exchange for keeping Basic rates down. Permitting such pricing for Discretionary services in the price cap plans appears to be a leftover from earnings regulation that is not theoretically or practically consistent with price cap regulation.[40]

Under price cap regulation, the Commission is less concerned with the level of overall earnings than with the prices charged for various services. Earnings from Discretionary services will no longer be used to hold down Basic rates, but to provide additional profit centers for the carriers. LECs should not be permitted to earn excessive monopoly profits from noncompetitive services. Since a majority of Discretionary services are monopoly services which do not face any competition, and the remaining services do not face sufficient competition or potential competition to regulate prices, it is incumbent on the Commission to protect the public interest by regulating the prices for Discretionary services until competition is sufficient to do so. The customers who rely on Discretionary services deserve protection from monopoly pricing. No party to this proceeding even vaguely suggested that the public interest should permit excessive monopoly profits. For example, BA-Va.'s Dr. Harris agreed that "a good regulation plan should limit the price of noncompetitive services directly."[41] The plans approved by the majority nonetheless allow monopoly pricing for these services which, in my view, is clearly contrary to the public interest and to the standards of § 56-235.5. of the Code.

Under the price cap plans approved today, consumers face two choices. They can do without useful and innovative Discretionary services, or they can risk being gouged. Staff witness William Irby recounted having "seen BA-VA studies showing that the profit maximizing price for some of these services is well above the current price. That is, the additional revenues from a price increase for existing customers would more than offset the lost revenue from customers who drop the service because of the increase."[42] Mr. Irby concluded that, when price increases were implemented, "the customer would either have to pay the inflated price or discontinue a service on which he or she had become dependent."[43] I do not believe the General Assembly intended this result in enacting Code § 56-235.5. To allow monopoly pricing of discretionary services unreasonably prejudices and disadvantages the class of customers who rely on these services. This violates § 56-235.5.B.(iii). Until sufficient competition develops to control effectively the prices charged for any monopoly service, even those which are only "Discretionary," consumers should be protected from monopoly pricing.

Code § 56-235.5.H. requires the Commission to "adopt safeguards to protect consumers and competitive markets. At a minimum these safeguards must assure that there is no cross subsidization of competitive services by monopoly services." Adopting a plan which allows for "profit maximizing" price increases to monopoly discretionary services makes it far less likely that the intended goal of the General Assembly, i.e., the prohibition against anti-competitive cross subsidization, can be realized. A firm that may price its products that face little or no competition well above cost can afford to price its products that do face competition at or below cost, still make profits, and drive out potential competitors. A potential competitor with no monopoly "Discretionary" services must take its profits from its competitive offerings.

The price cap plan approved for United/Centel inexplicably imposes different pricing requirements for those companies, as compared to the BA-Va. plan. Under the United/Centel plan, prices for any discretionary service may be increased at the rate of inflation for the previous year. However, if no rate increase is obtained "during the prior 12 month period" the companies may raise rates by the cumulative increase in the Gross Domestic Product Price Index ("GDPPI"), up to a maximum of twice the previous year's rate of inflation.[44] The majority offers no explanation for the difference between the United/Centel and BA-Va. plans, and the record contains no evidence to suggest why these provisions should not be the same. This is particularly perplexing because the majority-approved United/Centel price change mechanism for discretionary services is significantly different from what the companies requested.

Under "traditional" rate base, rate of return regulation, the goal of regulation was to act as the surrogate of the competitive market, that is, regulators should fix rates which, but for its absence, competition would establish.[45] Under Code § 56-235.5.F. and G. the Commission may de-regulate certain service offerings if the Commission finds that "competition or the potential for competition in the market place is or can be an effective regulator of price" of such services and may re-regulate any service for which it finds "that competition no longer effectively regulates the price of that service." Under the majority-approved price cap plans, Discretionary services fall into neither category. Prices for these services will neither be well-regulated by the Commission nor "effectively regulated" by the competitive marketplace.

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38 BA-Va. Plan, ¶ 7.B.1. The 10% limit applies only to the second increase between 1995 and 1997.

39 BA-Va. Plan, ¶ 7.B.2.

40 The price cap plans are replete with such items, such as "revenue neutral" price restructurings. See, Section II.D, *infra*.

41 Ex. RGH-8SR, at 7.

42 Ex. WI-1, at 21.

43 Id., at 24.

44 United/Centel Plan, ¶ 7.B.1.

45 James C. Bonbright, *Principles of Public Utility Rates* 17 (2d ed. 1988).

Finally, it also seems likely that the ability to raise prices more or less freely for Discretionary services may also inhibit innovation. As Mr. Irby observed, when a firm has the choice "between spending millions to develop and introduce new products that may or may not pay off several years in the future, versus immediately generating additional cost free revenue by merely filing an administrative tariff, it is clear which course of action it would follow."[46]

In my view, at a minimum, protection of the public interest requires that Discretionary services be afforded no greater pricing freedom than Basic services. The LECs should not be permitted to extract excessive monopoly profits from noncompetitive services.

D. "Revenue Neutral" Price Restructurings

The price cap plans permit BA-Va. and United/Centel to propose changes in the price of any Basic or Discretionary service, so long as the net effect of such proposed changes is "revenue neutral."[47] Such proposed price changes would be subject to the "notification provisions of Code § 56-237.1." If 20 or more complaints about the proposed restructuring are raised, the Commission will hold a hearing "concerning the lawfulness of the restructuring, pursuant to § 56-235.5." The Commission may refuse to approve any proposed change which is not in the public interest or, presumably, which it finds not to be lawful. The Order does not indicate what issues will be considered "concerning the lawfulness of the restructuring." In my view, this mechanism for price changes is inconsistent with the concept of price (as opposed to earnings) regulation and is therefore unnecessary, and, as it invites the carriers to "game" the system, is not in the public interest. "Revenue neutral" price changes simply should not be permitted. A price cap should be a price cap.

The alternative regulatory plans adopted for BA-Va. and United/Centel both purport to be price cap plans, under which prices for basic telephone service may increase only insofar as permitted by the operation of the price change formula (the "cap") adopted with the plan. However, permitting "revenue neutral" price changes both vitiates the "moratorium" for basic rate changes described at page 8 of the majority Order and permits price changes apart from the operation of the formula, or cap. The potential for mischief abounds.

For example, suppose that on February 1, 1995, a LEC increases its prices for all Discretionary services by the rate of inflation during 1994, say 4%, and its revenues from its Discretionary services increase by 8% during 1995, due in part to the price increase and in part from growth in subscribership. Under Paragraph 8 of its plan, the LEC could, toward the end of 1995, propose a "revenue neutral" price change, reducing its Discretionary rates and increasing Basic rates by a like amount. Should the Commission agree with the proposal, all the revenue growth attributable to the unstoppable formula increase to Discretionary rates would then be shifted to Basic rates, despite the existence of the rate moratorium for Basic services. In early 1996, the LEC may be able to raise rates again for those Discretionary services by the rate of inflation experienced in 1995,[48] an increase which, under the majority-approved plan, would occur without a hearing. While it may be true that a LEC would never attempt a ploy like this, the plans permit it to try. Further, the LEC can seek to change prices for any service virtually at any time under Paragraph 8 of the plans.

The "revenue neutral" price change described above might be comparatively easy for the Commission to "refuse to approve,"[49] but other possible price change requests might be harder to turn down. For example, there is a vast disparity in the rates for basic residential service and basic business service. A LEC can reduce or even eliminate this disparity by proposing a "revenue neutral" price change under Paragraph 8 and arguing that a reduction to business rates offset by an increase to residential rates is good for business and will allow the LEC to "respond" to competition in the future and therefore is "in the public interest." It might also argue that such a shift brings prices for both business and residential service closer to the actual costs to provide such service.

Permitting "revenue neutral" price changes is not consistent with the concept of price regulation.[50] Under price regulation, earnings and revenues are supposed to be as irrelevant as the cost of providing service. The LECs claim that they need the ability to price flexibly to meet the threat of competition.[51] The majority has found, however, that there is no effective competition for Basic and Discretionary services. Under price regulation, there is likewise no public interest need for the Commission to maintain a floor beneath LEC earnings or revenues through "revenue neutral" price changes. The LECs argue that they are willing to bear the risks of the market place.[52] The LECs, not their customers, should bear the revenue risk of price changes permissible under the plans.

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46 Ex. WI-1, at 22.

47 BA-Va. Plan, ¶ 8; United/Centel Plan, ¶ 8.

48 While paragraph 8.B. of each plan requires the LEC "to show within the first two years following the implementation of the price changes that the changes are, in fact, revenue neutral[,]" nothing in this paragraph limits price changes otherwise permissible under paragraph 7.B.1. of the plans. Even if such changes do, in fact, render a price change "non-neutral," the Commission's response is limited to "a prospective adjustment" which the Commission "may" impose. Finally, no interpretation of the plans would prohibit Discretionary rates from increasing at the end of the two year period referred to in paragraph 8.B. Thus, after two years, the LEC would be free to raise the Discretionary rates it lowered to obtain the "revenue neutral" rate increase in Basic rates. These Discretionary rates could, in BA-Va.'s case, be increased up to 10% without a hearing. (Perhaps as much as 19.92% [0.83% X 24 months.])

49 There is, however, nothing to suggest that such a proposed change would be "unlawful."

50 Nor is, by the same token, permitting rate changes due to "rate regrouping due to growth in access lines," permitted by ¶ 6. C. of each of the price cap plans.

51 Ex. RGH-6, at 26.

52 For example, Mr. Woltz of BA-Va. said at page 864 of the transcript:

> The investments needed to build the network required to meet the public's Information Age expectations are large and risky. The Bell Atlantic-Virginia plan places that risk on the investors and not on the ratepayer through price guarantees.

However, the revenue-neutral provision of paragraph 8 of the plans allows for a shift of this risk back to the ratepayers by circumventing the "price guarantees" of which Mr. Woltz spoke.

The ability to make "revenue neutral" price changes between Basic and Discretionary services may also inhibit the deployment of Competitive services, or at least the classification of new services as "Competitive." Since the price cap plans do not permit "revenue neutral" price changes between Competitive and either Basic or Discretionary services, there is no possibility for shifting revenues from Competitive to Basic services. The LEC therefore has an incentive to classify services as Discretionary rather than Competitive. It can raise the prices of Discretionary services by up to 10% per year,[53] then shift resulting revenue increases into Basic rates (with Commission approval) even during the moratorium period if it later decides to reduce the rates for the new Discretionary services. If a new service is classified as Competitive, the LEC's ability to raise the service's price is constrained by the presence of competitive alternatives and it has no opportunity to shift revenues "lost" through price decreases to its Basic services.

When the LECs develop and introduce new services, the structure of the majority plans provide the LECs with more incentives to develop services which can be classified as Discretionary, rather than to seek out ways to compete with existing services provided by other non-LEC carriers. By definition, Discretionary services are those which only the LEC can provide or for which competition provides ineffective price regulation and for which it may charge monopoly prices. What is the incentive for the LEC to seek out markets where effective competitors exist?

One final note about Paragraph 8 of each price cap plan: it neither limits the timing nor the frequency of LEC requests for "revenue neutral" price changes. The majority has not supported the concept of a comprehensive rate examination, in which prices for all services could be examined and set in relation to their costs. The majority has, however, said that the Commission would address the access charge issue which, according to BA-Va., may lead to a request for a revenue neutral rate restructuring request. Other Paragraph 8 requests may also follow. It is not hard to imagine our Staff simultaneously reviewing multiple requests from each LEC for "revenue neutral" price changes, in which some review of cost of service data is inevitable. If for no other reason than administrative efficiency, the Commission should conduct a comprehensive rate review and deal, proactively, with many of the potential "revenue neutral" issues.

E. Moratorium periods

According to the majority, the most significant difference between the BA-Va. price cap plan and the United/Centel plan is the ability to begin indexing prices for Basic services at different times.[54] The Order also recites that "the existing affordability of BLETS can be protected in the future by . . . a temporary moratorium on rate increases as specified by the plans[.]"[55] What the majority does not explain is why the existing affordability of United/Centel's rates should be protected for three fewer years than the rates of BA-Va. Under the United/Centel plan, those companies can begin raising Basic rates in 1998, but BA-Va. cannot begin raising Basic rates under its plan until 2001. There is nothing in the United/Centel plan which might offset the three year difference in protection of affordability of rates for basic telephone service. There is no explanation in the majority Order as to how it is in the public interest to approve two otherwise similar plans, one of which provides significantly inferior protection to consumers.

The majority cites differences in the "operating characteristics, demographics, and customer makeup" of the companies to justify the different indexing dates. This indicates some belief or suspicion on the part of the majority that United/Centel and BA-Va. have different costs of providing service or expect different rates of increase in such costs. The record does not support such a finding. There well may be such differences between United/Centel and BA-Va.;[56] however, the record contains no evidence of the cost of providing service in the past or projections for the future. Further, the majority has rejected the call for a comprehensive rate review in which any differences in the costs of providing service could be fully explored. Finally, both United/Centel and BA-Va. proposed to increase rates for Basic service by the same factor -- one half of the change in the GDPPI -- indicating the belief of those companies that there would be no substantial difference in the rate of future cost increases. The majority can point to no reason for "freezing" BA-Va.'s Basic rates for twice the period of United/Centel's rates other than that is what the companies requested.

In my opinion, it is not in the public interest to provide less protection to the customers of United/Centel than to those of Bell Atlantic.

F. The Price Change Mechanism

The price cap plans adopted by the majority each contain a price change mechanism that permits prices for Basic services to be increased, following the end of the moratorium periods, by one half of the previous year's percentage change in the rate of inflation.[57] Prices can be decreased only if the LEC "wishes to reduce" prices.[58] The majority's plans thus allow rate increases for Basic services, regardless of whether the LEC's costs go up or down and regardless of the level of return the LEC is earning. Each year the LEC, unless it "wishes to reduce prices," may raise prices for Basic services.[59] Because all Basic and many Discretionary services now and for the immediate future face no effective competition, the price change mechanism should reflect both cost and productivity changes and provide incentives to the LECs to increase efficiency. The majority plans do not do this.

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53 After January 1, 1997, according to the BA-Va. Plan, ¶ 7.B.1.

54 Order, at 8. In my view, the differing treatment of Discretionary services is also a major difference.

55 *Id.*, at 7.

56 Just as there may be differences in "operating characteristics, demographics, and customer makeup" between United and Centel.

57 ¶ 6.B.2. of each of the price cap plans. Paragraph 6.B.2. of each plan provides for notice and, if there are sufficient complaints, a hearing as to the "lawfulness of the increase." The majority Order provides no indication of what may be considered in the hearing as to the "lawfulness of the increase." Further, given the majority's view of "affordability" (see Section II.J.1., *infra.*) and the fact that it has determined that the index itself protects affordability, these hearings may amount to little more than mathematical exercises.

58 ¶ 6.A. of each of the price cap plans.

59 If there are sufficient protests or objections to the proposed increase, as noted above, there must be a hearing.

Most price cap plans permit prices to be increased periodically by the rate of change in some independent price index -- often, as here, the GDPPI -- but require that part of the change in the index be offset by what is known as the productivity factor, sometimes known as the "X" factor.[60] Reducing the permissible price change by application of a productivity factor creates an incentive for the LEC to innovate, cut its costs and raise its productivity in order to increase its earnings. Failure to so act means that the LEC's costs increase faster than its prices are permitted to increase under the "cap", thereby reducing the LEC's earnings. The productivity factor also helps to assure that the LEC's ratepayers share in the benefits of the additional efficiencies price cap regulation should be designed to encourage.[61] When the productivity factor exceeds the percentage change in the price index, for example, ratepayers see a decline in rates, in both real and nominal terms.[62]

The BA-Va. and United/Centel price cap plans provide no explicit productivity factor, but use half the rate of inflation as a proxy for productivity. As can readily be seen, under these plans the productivity factor can never wholly offset the price index. Therefore, regardless of whether the LECs are aggressive or indifferent toward improving their productivity, ratepayers face the prospect of perpetual rate increases.

The evidence advanced in support of using one half the inflation rate as a proxy for productivity does not support its use here. BA-Va. witness Harris cited a study suggesting that, over a 57-year period (1935-92), the rate of change in telephone prices was about one half the rate of change in inflation, as measured by the Consumer Price Index.[63] Other parties asserted that the BA-Va. proposal was deficient by pointing to productivity factors approved in other jurisdictions. For example, in New Jersey the productivity factor is 2.0%, and the Bell Atlantic subsidiary there is required to share earnings above 13.7% return on equity. The California commission imposed a 4.5% productivity offset in its initial price cap plan. One company operating there, GTE, negotiated a recent settlement in which it agreed to productivity offsets of 5.0% in 1994, 4.8% in 1995 and 4.6% in 1996.[64] In Pennsylvania, the Bell Atlantic subsidiary proposed a price cap plan having a Productivity Offset of 2.25% and has agreed to the Pennsylvania Commission's increase of that factor to 2.93%. Under the Pennsylvania plan, whenever the productivity factor exceeds the annual rate of inflation, the LEC is required to reduce rates.[65] Even the British price cap plan, which BA-Va. witness Harris studied for 10 years[66] and cited to demonstrate "the superiority of price caps over traditional rate of return regulation,"[67] incorporated an original productivity factor (the "X" factor) of 3.0%, but increased the factor over the years to 7.5%.[68]

Productivity studies conducted by various witnesses further suggested the deficiency of the proposed (now approved) price change mechanism. AT&T witness Lundberg suggested that a more accurate and effective price change mechanism would permit price increases at inflation minus 4.5%.[69] Based on his review of extensive data, including Bell Atlantic internal studies, Attorney General witness Dr. Marvin Kahn recommended a productivity factor of at least 5.0%.[70]

In my view there is insufficient basis in the record to implement a price change mechanism that would permit perpetual price increases. The productivity factor approved by the majority, one half of the inflation rate, is not supported by the record, does not provide sufficient incentive to the LEC to innovate and improve its efficiency of operation, and completely fails to capture for customers the effects of any improvement that does occur. In short, the price change mechanism approved by the majority does not serve the public interest.

As indicated earlier, I would require as a condition of adopting alternative price cap regulation that the LEC undergo a comprehensive rate examination. During this proceeding, each LEC should produce studies of its expected Total Factor Productivity.[71] The price change mechanism, or formula, could then be determined upon a better record than is before us presently. During these proposed proceedings, the LECs desiring alternative regulation could present the Commission with their plans for infrastructure investment and development in order for the Commission to be fully informed in its determination of the appropriate productivity factor to incorporate into the price cap formula.

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60 Tr. 360-361, BA-Va. witness Harris, specifically referring to the British price cap plan.

61 Ex. DWL-50R, at 10.

62 Tr. 369.

63 Ex. RGH-8SR, at 2. BA-Va. cited this study primarily to demonstrate that under its proposal, customer rates would decline in real terms over time, preserving the affordability of basic service. It is indisputable that rates could increase in nominal terms.

64 Ex. DWL-50R, at 11.

65 *Re: Bell Atlantic of Pennsylvania, Inc.'s Petition and Plan for Alternative Form of Regulation under Chapter 30*, Docket No. P-00930715, Opinion and Order (June 23, 1994).

66 Tr. 368.

67 Ex. RGH-8SR, at 5.

68 Tr. 379.

69 Ex. DWL-50R, at 9-10.

70 Ex. MHK-31R, at 30-45.

71 I deem it very significant that Bell Atlantic has the capability of conducting such studies, and in fact did conduct such a study for its Pennsylvania subsidiary (Tr. 848), but did not do so here.

G. Prevention of Cross-subsidies

Code § 56-235.5.H. requires the implementation of consumer safeguards at the time of adoption of any alternative regulatory plan sufficient to ensure against the subsidization of competitive services by monopoly services. Further, the Commission may not adopt any alternative regulatory methodology, under Code § 56-235.5.B. or C., unless it finds that the plan "will not unreasonably prejudice or disadvantage any class of telephone company customers or other providers of competitive services." In my view, the price cap plans adopted by the majority do not provide sufficient competitive protections to meet these requirements of the Code.

The competitive safeguards adopted by the majority include the unbundling and tariffing of noncompetitive components of Competitive services and requiring that rates for LEC's Competitive services cover their incremental costs (including the imputation of the tariffed rate of any noncompetitive component).[72] These safeguards may ensure that the LECs will not be able to purchase non-competitive components from themselves at rates below what they charge their competitors for these components. These safeguards do not, however, prevent subsidization of competitive services by monopoly services.

The price of a noncompetitive component of a Competitive service may be sufficiently above the actual cost of producing the component that the tariffed price generates an excessive monopoly profit. Since the majority does not agree to undertake a comprehensive rate examination in which the price of each component could be set in relation to its cost, requiring both the LEC and its competitors to pay the same price for noncompetitive components merely locks in any existing subsidy. The requirement that "revenues shall be attributed to noncompetitive operations based on the tariff rates and quantities used"[73] accomplishes nothing under price cap regulation, since prices are set without regard to the level of earnings they produce. This is not only unfair to all who must pay the rates, but is contrary to the theoretical and practical premises of this "safeguard." The safeguard only works if the unbundled tariffed rate for the non-competitive component is related to cost.

Suppose a LEC and a competitor both offer a particular competitive service which contains one Discretionary service as a component (supplied to both by the LEC), the price of which is $1/unit, and one competitive component which each competitor supplies for itself, which costs both the competitor and the LEC $1/unit to produce. The cost of the service to the LEC's competitor is $2/unit. If the Discretionary component actually costs the LEC only 25¢/unit to produce despite its tariffed price of $1/unit,[74] then the cost of the service to the LEC is only $1.25/unit. The LEC can sell its service at $2/unit, cover its costs, and still earn a 37.5% profit. If the LEC's competitor can sell its service at $2/unit, it will earn nothing.

The safeguards are also deficient in that they do not require the LEC to prove that the price it will charge for a Competitive service actually covers costs unless a competitor files a complaint. Suppose in the example set out above the LEC sells its Competitive service not for $2/unit, but for $1.95/unit. This rate covers the imputed tariff price of $1/unit (and incidentally makes a profit of 35.9%), even though it does not cover the incremental cost of the competitive component. The majority Order states, at page 17, that the "LECs must maintain studies demonstrating that any Competitive service's pricing meets or exceeds imputed costs plus incremental costs. LECs must respond within 30 days to any complaints alleging that a LEC has violated the imputation requirement." (Emphasis supplied.) The LEC is not required to file its cost studies until there is a complaint. Accordingly, the studies will not be examined unless and until there is a complaint. Will a competitor file a complaint over a price difference of 5¢/unit in such an instance? If not, then the LEC can price Competitive services in violation of the "incremental cost floor," as discussed at pages 17-18 of the majority Order, and the Commission will never know. Further, if the LEC can sell a service for $1.95 and a competitor cannot sell below $2.00, how long will there be a competitor? Cost studies demonstrating that the imputed and incremental costs will be covered should be filed at the time the service is offered.

Further, I am not convinced that the cost studies that the majority would require the LECs to maintain (and to file in the case of a complaint) are sufficient to show all the costs incurred in the development and provision of the competitive service. The majority characterizes the incremental costs to be included in the studies as "the long-run additional costs incurred to provide an entire service(s)." Yet, "these costs do not include allocated joint and common overheads[.]"[75] I do not know how competitors would be able administratively to shift recovery of their "joint and common overheads" onto another service, as apparently the LECs will be able to do. In the example given above, the LEC has its 37.5% profit margin to cover these costs; the competitor has nothing. This will neither promote nor protect competition.

One last competitive safeguard that the majority rejects, but which I would impose, is requiring LEC Competitive services to be freely resold. Permitting resale helps to prevent price discrimination in the provision of Competitive services. The LEC will not be able consistently to sell a Competitive service to Customer "A" at a high price, while selling the same service to Customer "B" at a low price, if Customer "B" is free to resell some of the low-price service he receives to Customer "A."[76]

Finally, because we do not know the relationship between current prices and current costs, the unbundling and imputation safeguards adopted by the majority will not meet the test set for us by the General Assembly in Code § 56-235.5.H. to assure against cross-subsidization. Only a comprehensive rate review can hope to accomplish this goal.

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[72] ¶ 12 of each of the price cap plans; ¶ 6 of the GTE South Alternative Regulatory Plan ("GTE Plan") and Earnings Incentive Plan.

[73] ¶ 12.B. of each of the price cap plans; ¶ 6 of the GTE and Earnings Incentive Plan.

[74] The plans are silent as to how a new Discretionary service is to be priced. Although there are no rules as to how Discretionary services are priced, as explained in Section II.C., *supra*, the LECs have been allowed to charge rates well above cost for these services in the past. Presumably under the majority rationale, this practice may continue. Accordingly, the $1 rate may be low whether the Discretionary service which is a component of the competitive service is new or not.

[75] Order, at 17-18.

[76] Ex. DWL-49, at 8-9.

H. Open-ended Termination – The One Way Street

The majority Order, at page 6, finds that "Upon Commission approval, the Earnings Incentive Plan will be available as an alternative for any LEC at any time, as will, of course, traditional rate of return regulation[.]" Although the majority gives no guidance as to what will be required to obtain the approval, the Commission may be able to prevent BA-Va. and United/Centel from freely reaping the rewards of price cap regulation so long as it is in the LEC's interest to do so, but then returning to rate of return regulation, in either its "traditional" or its "enhanced" form[77] whenever returns begin to decline below just and reasonable levels.[78] Granting to the LECs the ability to move from price cap to earnings regulation according to the impact on the bottom line would be an abuse of alternative regulation and contrary to the public interest.

BA-Va. witness Harris contended that:

> an essential feature of a good regulatory plan is that it recognize the increasing riskiness of investment decisions; protect customers from the risk of investments that turn out to be uneconomic or unsuccessful; and provide shareholders new incentives to attract sufficient investment in the public switched telephone network. To meet those objectives, the plan must offer a symmetric risk-reward incentive structure, i.e., one that shifts losses of poor investment decisions and the rewards of good investment decisions to shareholders.[79]

In order to provide the "symmetric risk-reward incentive structure" that is acknowledged to be an essential feature of a good regulatory plan, I would require each LEC that chooses to implement one of the alternative regulatory plans to agree to stay with it for a fixed period of years (perhaps five), whether times are good or bad. Then, the Commission would review the LEC's performance under the plan in order to re-affirm whether the plan continued to meet the standards of Code § 56-235.5. and remained in the public interest.

I would also consider requiring the corporate parent of each LEC that chooses an alternative regulatory plan to itself agree to provide adequate funding, as necessary, to its LEC subsidiary to ensure that the Code's standards can continue to be met during the duration of the plan.[80] While operating under an alternative regulatory plan, a participating LEC would be permitted to implement price changes only by operation of the price change mechanism contained in the plan. Any additional funding necessary to maintain the affordability of rates or continue the quality of service would have to be supplied by the LEC or its corporate parent.[81]

Following the initial review[82] of the LEC's experience under the alternative plan, if the Commission found the alternative plan continued to be in the public interest, the LEC could apply for either continuation of the original plan, or any of the alternatives previously approved by the Commission, including rate of return regulation, for a similar or different duration. If the Commission concluded that the original alternative regulatory plan was no longer in the public interest, the Commission would determine the appropriate regulation for the LEC. I would not grant the right to change regulatory plans easily nor create the situation that might require the Commission to terminate an alternative plan to the benefit of the LEC and the detriment of the ratepayers. To do so provides the LEC's shareholders with a ready escape from the consequences of the LEC's investment decisions, and shifts this risk back to ratepayers. The public interest requires that if the LEC is to be permitted to reap the rewards of successful decision-making, it must likewise bear the risk of unsuccessful decision-making.

I. Infrastructure Investment Not Assured

As set forth in some detail above, the price cap plans approved by the majority do not serve the public interest because they do not protect captive ratepayers from the threat, if not the certainty, of monopoly pricing and because they do not provide sufficient protection to potential competitors of the LECs. I believe that these plans will not hasten, but rather will impede, the development of such competition. The plans give the LECs too much pricing flexibility and remove what few regulatory restraints the Commission has imposed since divestiture. As such, these plans are contrary to the public interest.

There is yet another, perhaps even more glaring, deficiency in the price cap plans approved by the majority. The LECs stated that the freedom and flexibility permitted by the alternative plans were necessary for them to invest in Virginia and ensure a modern infrastructure. However, while the plans grant nearly complete freedom to the LECs to increase their earnings, they do not assure that the LECs will invest even a single dollar of those earnings in the development of the advanced infrastructure in Virginia.

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77 The "Earnings Incentive Plan" approved by the majority.

78 To move to another plan, notice, a separate hearing, and specific findings enumerated in § 56-235.5.B. should be required and this should have been spelled out in the plans.

79 Ex. RGH-6, at 29.

80 As written, if the LECs discover that, in order to make investments necessary to keep service adequate, their rates of return will drop below just and reasonable levels, the LECs might refuse to make those investments. The majority at page 11 of the Order makes clear that if one of the criteria is not met, the first line of defense will be a more restrictive regulatory plan such as rate of return regulation. In fact, without a guarantee or the commitment of the parent, this may be the only practical solution. See also, Code §§ 56-265.4:4 and 56-265.6. When termination of a plan occurs, however, the LEC may be entitled seek and receive rate relief under rate of return regulation to give it an opportunity to earn a fair rate of return.

81 The majority Order contains, at pages 20-22, a lengthy and inscrutable exhortation to the corporate parents of the LECs not to behave in certain unspecified ways or to take certain unspecified actions, because the Commission "will be monitoring carefully all information relevant to this subject, and we will make formal inquiry of such issues if appropriate." Order, at 22. Now is the time to act to ensure that "such issues" do not arise. Ensuring that funding will be adequate (through, perhaps, the guarantees of the parent) and a comprehensive, going-in rate review are required now to ensure that corporate parents are not permitted to extract monopoly profits and that competition is properly promoted and not impeded. Until words become action, all the "careful monitoring" in the world is empty gesture.

82 Which I anticipate could be adversarial, rather than just "careful monitoring."

Compare the majority's plan to the one approved by the Pennsylvania Public Utilities Commission for Bell Atlantic - Pennsylvania ("BA-Pa"), BA-Va.'s sister company. The Pennsylvania PUC devotes nearly one-third of its 198 page order[83] to a discussion of BA-Pa's Network Modernization Plan. Pursuant to legislation passed in Pennsylvania, any local exchange carrier which sought to be regulated by an alternative form of regulation was required to "commit to universal broadband availability and shall commit to converting 100% of its interoffice and distribution telecommunications network to broadband capability[.]"[84] This broadband network[85] must be deployed equitably in rural, urban and suburban areas, and "shall be in or adjacent to public rights-of-way abutting public schools, including the administrative offices supporting public schools, industrial parks, and health care facilities[.]"[86] The BA-Pa plan requires this investment.

BA-Pa did not have to seek alternative regulation in Pennsylvania. It chose to do so even though its choice required it to commit to this massive infrastructure deployment. It was willing to agree to do this in exchange for the kind of pricing freedom that the majority Order has given BA-Va. and United/Centel here, without the concomitant investment responsibility.

Another Bell Atlantic subsidiary, New Jersey Bell ("NJ Bell"), agreed to speed up the deployment of advanced infrastructure in that state by $1.5 billion during this decade in exchange for a more limited form of pricing freedom. NJ Bell's prices will be regulated with a price cap mechanism but it must still share all earnings above 13.7% return on equity on a 50-50 basis with its customers.[87] This alternative form of regulation is known in that state as rate of return/rate cap regulation.[88]

There should be no "payment" for the right to participate in an alternative regulatory plan. A plan should, however, be beneficial to the LEC, its customers and the Commonwealth. In this case, according to the LECs, the plans were needed so that new technology and infrastructure could be deployed throughout Virginia. The majority has removed all rate of return limits on BA-Va. and United/Centel. The majority has done more than its part. However, the LECs are not required to invest in new technology or infrastructure in Virginia. If investments are made, will they be enough? We do not know. Will new infrastructure be deployed equitably in rural, urban and suburban areas? Will the new facilities be close enough to our public schools and health facilities? We do not know. The Pennsylvania plan addressed these issues. The majority plans do not. If Virginia is fortunate enough to have the necessary infrastructure deployed, it will be because the parent corporations of Virginia's LECs choose to do so, not because they are obligated to. Moreover, those decisions will be made far from Virginia and with many non-Virginia pressures at work. If the plans of the telecommunications giants do not work as well as the planners hope, funds for investment may be short. In that case, I am concerned that the investments will be made first where they must be rather than where they should be. In that case, Pennsylvania and New Jersey may receive the investment and Virginia will be left with good intentions.

In their failure to assure additional investment toward the deployment of advanced telecommunications infrastructure, the majority plans do not serve the public interest. We must remember that Bell Atlantic is obligated to make such investments in nearby states with which Virginia competes for economic opportunities, jobs and other investments.

J. The Price Cap Plans do not Comply with Code § 56-235.5

Code § 56-235.5.B. sets forth four standards that must be met by any alternative regulatory plan considered by the Commission before that plan may be approved. Reduced to the essentials, the four standards any plan must meet include: (i) protection of the affordability of BLETS; (ii) assurance of the continuation of quality local exchange telephone service; (iii) absence of unreasonable prejudice or disadvantage to any class of customers or competitors; and, (iv) being in the public interest.

Sections II.A. through I, *supra*, have demonstrated my belief that the price cap plans approved by the majority do not meet the standards set out in § 56-235.5.B. (iii) and (iv) or the requirements of § 56-235.5.H. Because the plans fail to protect and promote competition and because the plans permit, and in fact invite, the extraction of excess monopoly profits from ratepayers, the plans cannot be said to be in the public interest. This section will focus on the remaining two standards whose application has been made mandated by the General Assembly. I have not found evidence in this record that supports the majority's finding that the plans will preserve the affordability of basic service, and I do not believe the majority has correctly interpreted what is required to assure the "continuation of quality local exchange telephone service." See Va. Code § 56-235.5.B.(i) and (ii).

1. Affordability

Beginning at page 6 of its Order the majority sets out its "opinion" that "the evidence establishes that at current rate levels, those services which are classified as BLETS . . . are affordable." In support of this opinion, the Order recites that rates were last set for the LECs in rate cases in 1983, 1984 and 1985 and "have only decreased" since that time. In further support, the majority points to the 94% level of service penetration. Because tariffed rates have not

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83 *Re: Bell Atlantic of Pennsylvania, Inc.'s Petition and Plan for Alternative Form of Regulation under Chapter 30,* Docket No. P-00930715, Opinion and Order (June 23, 1994).

84 66 Pa. C.S. § 3003 (b).

85 "Broadband" is a communications channel which has a bandwidth of at least 1.544 megabytes per second. It is capable of supporting voice, data and video communication. A megabyte is one million bits of information.

86 66 Pa. C.S. § 3003 (b) (2) and (3).

87 See, "The State of Telecommunications in New Jersey - Response to the Telecommunications Act of 1992" published by the New Jersey Board of Regulatory Commissioners (January 1994). This report to the Governor and Legislature of New Jersey was the Board's official response to the requirements of New Jersey's Telecommunications Act of 1992 (N.J.S.A. 48:2-21.16 et seq.). NJ Bell calls its investment program "Opportunity New Jersey." NJ Bell agreed to increase its infrastructure investment from $4.2 to $5.7 billion between 1992 and 1999. See report at 12.

88 Id., at 16.

increased since the mid-80s and because so many people have access to service, the majority concludes that "rate cases are not necessary to determine affordability."[89] As stated at length above, I believe a comprehensive rate examination is needed. A thorough examination of the affordability of service should also be undertaken.

Simply to say that rates have not increased since the last time rate cases were held is an insufficient answer. First, when rates were set during those cases, the issue of affordability of service played little or no part in our consideration of just and reasonable rate levels. Second, the statute requires the Commission to consider the "affordability of basic local exchange service," which is made up of more than just the tariffed rate charged by the local exchange company. Since 1984, for example, the federal Subscriber Line Charge ("SLC") has been added to bills for local service. The SLC was initially set at $1 per month in 1985, but has now grown to $3.50 per month. The LECs retain these revenues. BA-Va.'s rates for local service run from roughly $7 to $13.50 per month depending on the size of the exchange. Therefore, the addition of the SLC has raised what customers must pay to receive local exchange service by approximately 25 to 50%. Customers cannot receive local service without paying the SLC in addition to the tariffed rates of the LECs. A thorough study of the affordability of local exchange service involves more than just a review of the tariffs. No such study has been made.

In his prefiled testimony, Staff witness Irby referred to a survey that had been conducted by Virginia Tech, which revealed that one reason which prevented even higher telephone service penetration levels was the amount of "up-front" charges assessed by the LECs for installation and service deposits.[90] Mr. Irby also acknowledged that rates for local service vary from company to company and from location to location by a factor of double or more.[91] However, no study of the effect of either the "up-front" requirements or the variance in local rates on affordability was presented.[92]

The evidence regarding penetration levels should also be subjected to further scrutiny. While a 94% penetration rate sounds excellent, there is more to this story. Closer examination of the evidence reveals that in 30 Virginia counties and 8 Virginia cities, the penetration rate is below 90%. There is a wide variance in penetration levels. In prosperous Fairfax County, 99.3% of occupied housing units have a phone, while in less-developed Sussex County only 81.2% do.[93] Also telling, perhaps, is that penetration levels have not risen appreciably statewide since 1984, despite the fact that "rates have only decreased" since then.[94] In 1984, the penetration rate stood at 93%; nine years later, following an Experimental Plan which, according to the majority, "reduced rates, promoted rate stability, helped the local exchange companies (LECs) adapt to emerging competition and encouraged the LECs to invest in Virginia telecommunications infrastructure,"[95] the penetration level has increased only to 94.3%.[96]

This 94.3% penetration figure is said to indicate that telephone service is affordable; I tend to think it indicates rather that telephone service is, like other utility service, indispensable. I would venture to guess that the "penetration" of electric service surpasses that for telephone service, but this fact has not been taken as any indication that electric rates are therefore affordable and should never be examined in a rate proceeding.

What is needed is a study of affordability. While I applaud the majority's requirement to expand the Virginia Universal Service Plan to include food stamp recipients, affordability does not stop there. An examination of installation and deposit requirements and an elasticity study to determine the impact of charges and fees (including deposit and installation requirements) on the penetration rate should be made.

2. Continuation of Quality Service

As indicated above, I believe the majority has misinterpreted the intent of the General Assembly when it required that any alternative regulatory plan must "reasonably [assure] the continuation of quality local exchange telephone service."[97] According to the majority, meeting this criterion will not be a problem "since all of the plans require the LECs to conform to the Commission's Rules Governing Service Standards adopted in Case No. PUC930009 on June 10, 1993, 1993 S.C.C. Ann. Rpt. 221."[98] I do not believe these Rules were what the General Assembly had in mind when it charged us to assure the "continuation of quality local exchange telephone service."

In Section II. I., *supra*, I criticize the price cap plans for their failure to assure that adequate investment in telecommunications infrastructure and services would be made in the Commonwealth. In the future, "quality local exchange telephone service" will mean something different and better than what is presently available.[99] I believe the General Assembly wanted the Commission to approve only those alternative regulatory plans that assured that the evolving telecommunications requirements of present and future generations of Virginia citizens and business would be met. As detailed in Section II. I., these plans do not accomplish this goal. Instead, the majority Order only requires the LECs to file reports on such service standards as the number of trouble reports received,

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89 Order, at 7.

90 Ex. WI-1, at 11.

91 Tr. 244-245.

92 Tr. 266, 245.

93 Ex. WI-1B.

94 Order, at 7. As shown above, however, customers' bills for local service do not appear to have declined since 1984.

95 Order, at 3. Those nine years have not seen a rate case for BA-Va., of course.

96 Ex. WI-1B.

97 Code § 56.235.5.B.(ii).

98 Order, at 10.

99 In Pennsylvania and New Jersey, at least, it will include universally deployed broadband capability.

number of complaints to the Commission and "the percent of all calls to the business office which are answered live within 20 seconds."[100] The majority has limited the LEC's responsibility under this requirement to maintenance of the status quo with regard to service quality, rather than assuring the "continuation of quality local exchange telephone service." Even the best maintained 1994 telephone system may not be providing "quality local exchange telephone service" as that term will be understood in 2004 or 2014. Any alternative regulatory plan properly permissible under § 56-235.5 must provide for the investment reasonably necessary to meet evolving definitions of quality local exchange telephone service.

III

Earnings Incentive Plan

I will not dwell long on the majority's other alternative regulatory plan, the GTE Plan.[101] It suffers from many of the same deficiencies as the price cap plans.[102] First and foremost, there is no requirement that companies operating under this plan submit to full rate examination. The Commission will have not much greater knowledge of the current costs of service, revenues and earnings of GTE than it does of BA-Va. and United/Centel, although still purporting to regulate GTE's earnings. The Commission is in no position to adjudge either the reasonableness or the affordability of GTE's current rates, as required by Code § 56-235.5.B.(i). To the good, however, price changes under the GTE Plan that result in increases to its operating revenues will be permitted only in the context of what appears to be a true rate case.[103]

It appears that such rate reviews as will be conducted under the GTE Plan, other than those in which GTE proposes to raise rates, will be no more rigorous than the ones conducted under the Experimental Plan.[104] That is, only booked figures will be reviewed and other parties will be prohibited from offering ratemaking-type adjustments to the booked cost of service.[105] There will be no audit of affiliates expense, for example. In short, the GTE Plan gives the false appearance of being rate base, rate of return regulation.

The GTE Plan appears to impose the same "Competitive Safeguards"[106] as do the price cap plans; therefore, the GTE Plan provides no more protection for competitors than the price cap plans and is, accordingly, no more compliant with the requirements of Code § 56-235.5.B.(iii) than those price cap plans. Because it will not conduct a rate examination of GTE, the Commission can not determine whether, as described above in Section II. G., GTE's monopoly services provide a cross subsidy to its competitive services in violation of Code § 56-235.5.H.

Finally, I must observe that there is something perplexing in the theory underpinning the GTE and Earnings Incentive Plans. Under these plans, in exchange for keeping rates for basic and discretionary services unchanged, a company is allowed to retain nearly all earnings it generates from its so-called competitive services.[107] It is only when it seeks to increase rates for basic or discretionary services that GTE must account for all competitive earnings.[108] Therefore, the "incentive" to hold down basic rates and avoid a rate case in the Earnings Incentive and GTE Plans is the competitive earnings. Implicit in this arrangement must be that these "competitive earnings" are particularly desirable or lucrative. If the services providing these earnings are, however, truly competitive, then their prices should be driven to cost and the "competitive earnings" would provide little, if any, incentive. The incentive, however, is significant because the "earnings" are from such services as Yellow Pages and Inside Wire Maintenance, which are classified as competitive, but which provide unregulated

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100 Rules Governing Service Standards for Local Exchange Telephone Companies, promulgated in *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules governing service standards for local exchange telephone companies*, Case No. PUC930009, 1993, S.C.C. Ann. Rpt. 221 (June 10, 1993).

101 According to the majority, it is identical to the Earnings Incentive Plan.

102 Curiously, however, in contrast to the price cap plans, the Commission here "retains" the specific authority to terminate the GTE and Earnings Incentive Plans "on its own motion, or upon complaint, if it finds good cause to do so[.]" GTE Plan and Earnings Incentive Plans, ¶ 2.A. No similar provision appears in the price cap plans. Under § 56-235.5.D., the Commission has the authority to "alter, amend or revoke any alternative form of regulation . . ."

103 GTE Plan, ¶ 11.

104 The Experimental Plan provided that the rates of return for the LECs regulated thereunder would be set within the fixed range of 12 to 14%. The GTE Plan provides a fixed formula by which the rate of return will vary according to changes in the 30-year Treasury Bond rate. In its Final Order adopting the Experimental Plan, the Commission said, "Any person aggrieved by the regulated rates of the companies may petition for relief as contemplated by § 56-235 of the Code." *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*, Case No. PUC880035, 1988 S.C.C. Ann. Rpt. 249, 250 (December 15, 1988). The Attorney General petitioned for relief in Case No. PUC890011, asserting that the rate of return set by the Experimental Plan for the LECs was too high. The Commission dismissed this petition, stating that after costs had been properly allocated "it may be proper to revisit whether the 12 to 14% return on equity is appropriate[.]" (Cited in Footnote 26, *supra.*) When the costs had subsequently been allocated and the issue of the proper return on equity was again before it, the Commission abruptly reversed field, stating that the language of the Experimental Plan "leaves no room for an interpretation that the range can be changed in this case." (Cited in Footnote 26, *supra.*) I hope the GTE Plan cannot be read similarly to prevent a review of the fairness of rates of return produced by the fixed formula in the GTE Plan.

105 *See*, the discussion of Case No. PUC900045 set out in footnote 26, *supra.*

106 GTE Plan, ¶ 6.

107 Under the GTE Plan Yellow Pages advertising and the Inside Wire Maintenance program continue to be treated as competitive and GTE retains 75% of its Yellow Pages earnings. *See* also, Section IV, *infra* .

108 GTE Plan, ¶ 11.A.1.

monopoly profits.[109] Thus, the GTE and Earnings Incentive Plans rely on the improper classification of several services. If the "competitive" services ever really do become competitive, this incentive will be gone.

In short, the GTE and Earnings Incentive Plans are not truly based on rate of return regulation, will not protect consumers, and do not provide adequate competitive safeguards. As such, I find the plans fail to comply with the law and are contrary to the public interest.

IV

Competitive Services

In its Final Order in Case No. PUC920029,[110] in which it considered the Experimental Plan, the Commission wrote:

> Services classified as Actually Competitive as of July 1, 1993, will remain classified as Competitive under the modified Plan pursuant to Va. Code § 56-235.5(F) while Case No. PUC930036, which will afford an opportunity for considering potential reclassification of those services, is underway. . . .
>
> We do not now determine whether Yellow Pages is a competitive service. Thus, it presently remains classified as it was on the effective date of the new statute, as the LECs contend it should be. . . .
>
> As our Staff's report relates (pp. C-7 to C-8), at the inception of the Plan, there was a major competitor attempting to enter the market in Yellow Pages. It sought to produce a volume of Yellow Pages type advertising, as an alternative to the telephone company book, in two of the three major metropolitan areas of the state. The Plan assumed that this form of Yellow Pages competition would develop. It has not, on any effective basis, leaving only smaller, less than complete substitutes. [Cite omitted.]
>
> * * *
>
> [I]t is apparent that the unique form of the Yellow Pages publication produced by the telephone companies is made possible by a ready availability of information from the regulated side of the business. This relationship insulates a part of the revenues from Yellow Pages advertising from effective inroads by other media. Because this protection is closely related to the regulated activities of the company, we have concluded that regulated customers should receive some of the benefits derived by the telephone companies from Yellow Pages operations.

In that case, the Commission required, for regulatory purposes, that 25% of the income available for common equity from Yellow Pages be imputed to the noncompetitive side of LEC operations, a ratemaking treatment the Commission deemed proper under Code § 56-235.5.E.

Nearly every party to the present proceeding suggested some change in the treatment of Yellow Pages that was mandated by the Final Order in Case No. PUC920029. Generally speaking, the LECs urged that none of the revenues from Yellow Pages be attributed to non-competitive services, while the remaining parties wanted all revenues so attributed.[111] Both BA-Va. and the American Association of Retired Persons sponsored witnesses, Dr. Robert Willig and Dr. William Shepherd, respectively, solely for the purpose of addressing whether Yellow Pages is competitive.[112] Other parties' witnesses addressed the Yellow Page issue extensively as well.[113]

Nonetheless, the majority concludes, at page 25 of the Order, that it "received no evidence that would compel us to make any changes" in its treatment of Yellow Pages and another service whose "competitiveness" is subject to question - Inside Wire Maintenance. The Commission also stated that "competition for those services is or can be an effective regulator of the price of those services and that it is in the public interest to detariff those services."[114] This finding by the majority is wrong.

By any test, neither Yellow Pages nor Inside Wire Maintenance is competitive. Several parties referred to the U.S. District Court's opinion in the divestiture case, in which the Court found:[115]

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109 *See*, Section IV, *infra*.

110 *Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of evaluating the Experimental Plan for Alternative Regulation in Virginia Telephone Companies*, Case No. PUC920029, 1993 S.C.C. Ann. Rpt. 212, at 214 (Dec. 17, 1993).

111 *See*, for example, Brief of AT&T Communications of Virginia, Inc., at 50-51 (hereinafter "AT&T Brief").

112 Ex. RDW-11R and Ex. WGS-44, -45R, and -46SR.

113 *See*, for example, Ex. MNC-47 pp. 12-29. Dr. Cooper estimated that BA-Va.'s market share of usage, as he defined it, to be in the 90-95% range.

114 Order, at 25-26.

115 *U.S. v. American Telephone & Telegraph Co.*, 552 F. Supp. 131, 193-94. (D.D.C. 1982). AT&T contended, on brief, that the presence of this subsidy from Yellow Pages to local service was the only reason the Bell Operating Companies were given the right, in the divestiture, to publish the Yellow Pages and that the Commission's treatment of Yellow Pages in the Experimental and Modified Plan transferred this benefit, intended for LEC ratepayers, to LEC shareholders. AT&T Brief, at 50.

> All parties concede that the Yellow Pages currently earn supra-competitive profits . . . Yellow Pages provide a significant subsidy to local telephone rates. This subsidy would most likely continue if the Operating Companies were permitted to publish the Yellow Pages. The loss of this subsidy would have important consequences for the rates of local telephone service. For example, the State of California claims that a two dollar increase in the rates for monthly service would be necessary to offset the loss of revenues from directory advertising. Other states assert that increases of a similar magnitude would be required . . . . This result is clearly contrary to the goal of providing affordable telephone service to all Americans.

The LECs continue to earn "supra-competitive profits" from Yellow Pages, as they also do from their Inside Wire Maintenance programs. During the period 1990-92, BA-Va. and United earned returns on equity from Yellow Page operations that can only be described as astounding.[116] Further, the pre-tax profits as a percentage of gross revenues were equally extraordinary.[117] As the Commission found in Case No. PUC920029, there is no effective competing directory, but only "smaller, less than complete substitutes," despite the presence of such extravagant profit possibilities. While the indicated return on equity for Inside Wire Maintenance is less than those for Yellow Pages, it is still extraordinarily high.[118]

The majority appears to have invoked the "grandfathering" provision of Code § 56-235.5.F.[119] in deeming Yellow Pages and Inside Wire Maintenance to be competitive, despite the quantity of evidence that was produced during the hearing.[120] There is no convincing evidence before the Commission, that "competition effectively regulates the price" of Yellow Page advertising. As the Attorney General pointed out, on brief, even BA-Va.'s witness, Dr. Willig, "offered no empirical evidence that Yellow Page prices are responsive to any alleged competition."[121] Nor does it appear that there is, or even can be, effective competitors to the LECs' Inside Wire Maintenance programs because the programs are not repair services as such, but essentially repair insurance programs.[122] The monthly costs of billing for such service alone would constitute a substantial barrier to competitive entry.[123]

The majority finds that certain other services should not be classified as competitive because "specialized, sporadic competition cannot be expected to control the prices" (Bulk Private Line) or that "it is too soon to reclassify these services because competition is not yet effectively regulating their prices" (Bulk Special Access and Single Special Access).[124] For other services, the majority finds that "there are no substitutes" (White Page Bold Type listings, ISDN) or "there is no substitute" (Repeat Call) or a service should be classified as Basic because it "is universally available and used" (Touch Tone). These descriptions apply with equal force to Yellow Pages and Inside Wire Maintenance. The Commission has already found[125] that there is no effective competitive directory, only smaller, less complete substitutes. Such "specialized, sporadic" directory competition "cannot be expected to control the price" of Yellow Page advertising. In fact, there is no evidence even vaguely suggesting that "competition effectively regulates the prices" of Yellow Page advertising. The phone companies' own advertising proclaims that "there is no substitute" for the "Official Yellow Pages," which are, undoubtedly, "universally available and used." As it is structured, "there is no substitute" for Inside Wire Maintenance either.

It is clear from this record that competition does not effectively regulate the price of either service. Therefore, it is improper to declare either the service competitive in order to allow the LECs to retain most all of the enormous profits generated by Yellow Pages and Inside Wire Maintenance for the benefit of their shareholders. I would require that 100% of the revenues and expenses of Yellow Pages and Inside Wire Maintenance be included in the noncompetitive services in the comprehensive rate review that I have advocated earlier. Having once set all rates based on cost, after properly accounting for all revenues and expenses, including those from Yellow Pages and Inside Wire Maintenance, I would allow implementation of price cap plans, modified as suggested below.

V

Conclusion

The LECs have argued that they need the freedoms granted by the plans approved by the majority to meet the challenges of competition and to provide the necessary infrastructure for Virginia.. Undoubtedly, increasing competition will provide substantial challenges to the LECs in the future. But in fact and in law, the LECs do not now face competition for local exchange service. And the approved plans do not assure the necessary infrastructure for the Commonwealth.

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116 Ex. KDT-3B (revised) and Ex. KDT-3C. Without deciding their validity, I will respect the companies' claim that the returns are proprietary and thus not release them.

117 It can be argued that return on equity might not be an appropriate measure of earnings for Yellow Pages, but the pre-tax profits as a percentage of gross revenues confirms that the profit is extraordinary.

118 Ex. LJC-2C1(P). Without deciding its validity, I will respect the claim that the return is proprietary and thus not disclose the return.

119 "Notwithstanding any other provisions of this subsection, all services classified as actually competitive services under the provisions of the Experimental Plan adopted by the Commission in Case No. PUC880035 in its final order of December 15, 1988, and remaining so classified as of the effective date of this section, shall be considered to be competitive services. "

120 Order, at 25.

121 Brief of the Division of Consumer Counsel, Office of the Attorney General, at 45. (Emphases in original.)

122 Tr. 545.

123 Tr. 555.

124 Order, at 23.

125 *See, 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*, Case No. PUE920029, 1993 S.C.C. Ann. Rpt. 212 (Dec. 17, 1993).

Competition at the local exchange level is what will ultimately hold down rates, provide choices, and ensure the advanced technology and infrastructure Virginia needs. What is so troubling and disturbing about the majority Order is that it is so anticompetitive. The Order does nothing to promote competition and much to entrench the existing monopolies. At a time when we should be encouraging, fostering and hastening competition, the majority Order does the opposite.

Given the present lack of competition for local exchange services and the fact that competition is needed and coming in the future, the Commission was presented with the question of what to do between the present and the time when competition becomes the effective regulator. We are required to decide what the appropriate regulatory vehicle is to take the LECs through the transition from the monopoly state that they now enjoy to the competitive state the future will bring. In my view, the evidence produced in this proceeding does not compel a finding that price cap regulation, though strongly advocated by the LECs according to their interests, is in any way appreciably superior to effective rate of return regulation as that transition vehicle. Certainly, as set forth in detail earlier, the plans proposed by the LECs and approved by the majority do not suffice. They will neither protect consumers nor promote competition and innovation and are not in the public interest. They do not comply with the requirements of Code § 56-235.5. and should not be approved.

That is not to say that a price cap alternative regulatory plan could not be so designed to meet the essential tests of Code § 56-235.5. and lawfully assist the LECs, their potential competitors and the public in the transition to the competitive market. As stated earlier, a properly structured plan must include, inter alia, a comprehensive initial rate examination to align prices and costs, necessary both to protect against the extraction of monopoly profits and to promote and foster competition; a meaningful productivity offset that would offer proper incentives to the LEC to innovate and improve efficiency; a price index that provides a realistic limit on prices for all noncompetitive services, including Discretionary services, rather than inviting monopoly pricing of those services; elimination of "revenue neutral" price restructurings; reasonable assurance of necessary infrastructure investment; a specific duration for the plan with a Commission review and approval required for continuation; a mechanism to set initial prices for new Discretionary services; and, implementation of additional competitive safeguards.

Taking away regulatory restraints in the absence of effective competition will harm the public. In my opinion, the Virginia General Assembly should act now to protect the public interest. Full local exchange competition should be allowed, fostered and hastened.

Until competition at the local level is allowed and becomes a reality, I cannot agree with my colleagues that the alternative regulatory plans allowed in this proceeding should be approved. Accordingly, I must dissent.

NOTE: A copy of Attachment 1 entitled "Cost Allocations Principles and Guidelines"; Attachment 2 entitled "Bell Atlantic - Virginia Plan for Alternative Regulation"; Attachment 3 entitled "Alternative Regulatory Plan for Central Telephone Company of Va. and United Telephone - Southeast, Inc."; Attachment 4 entitled "GTE South Alternative Regulatory Plan"; and Attachment 5 entitled "Earnings Incentive Plan" 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. PUC930036
NOVEMBER 8, 1994

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.

ORDER DENYING RECONSIDERATION

On November 3, 1994, Bell Atlantic - Virginia, Inc. ("Bell Atlantic - VA") filed a Petition for Reconsideration of our October 18, 1994, Final Order in this case. After considering Bell Atlantic - VA's arguments and reconsidering the evidence, we have concluded that our Final Order should not be altered at this time. We realize that rapid changes in technology and changes in federal and/or state legislation may necessitate future alterations to the Bell Atlantic - VA Plan, as well as to the other local exchange telephone company plans adopted in this case. When such changes occur, the Commission will address possible alterations, pursuant to either Virginia Code § 56-235.5C or § 56-235.5D. Accordingly,

IT IS THEREFORE ORDERED that Bell Atlantic - VA's November 3, 1994, Petition for Reconsideration is hereby denied.

CASE NO. PUC940001
MARCH 22, 1994

APPLICATION OF
LYNCHBURG CELLULAR JOINT VENTURE
and
CENTURY LYNCHBURG CELLULAR CORP.

For cancellation of an existing certificate of public convenience and necessity and issuance of a new certificate

ORDER AUTHORIZING ISSUANCE OF A NEW CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On January 6, 1994, Lynchburg Cellular Joint Venture ("Lynchburg Cellular") and Century Lynchburg Cellular Corp., a Virginia public service corporation ("Century"), delivered certain documents to the State Corporation Commission ("Commission"), requesting authority, pursuant to Va. Code Ann. §§ 56-508.10 and -508.11 (1986 Repl. Vol.), to transfer to Century the certificate of public convenience and necessity of Lynchburg Cellular. Lynchburg Cellular is authorized by Certificate of Public Convenience and Necessity No. C-36 to operate as a cellular carrier in the Lynchburg, Virginia cellular geographic service area. On March 8, 1994, Lynchburg Cellular and Century filed additional documents with the Commission, completing its application.

Lynchburg Cellular is a New York joint venture partnership comprised of two Virginia public service corporations, Century and Lynchburg Metronet, Inc. ("Lynchburg Metronet"). Century is the managing joint venture partner in Lynchburg Cellular. Century and Lynchburg Metronet have agreed that Century shall purchase all of Lynchburg Metronet's interest in Lynchburg Cellular and that at the time of purchase, Lynchburg Cellular will cease to exist by operation of law. The application represents that Century will provide wholesale and resale cellular service pursuant to the same rates and terms and conditions of service as provided in Lynchburg Cellular's tariffs on file with the Commission. The captioned application contains a copy of the Federal Communications Commission's ("FCC's") November 30, 1993 authorization to assign Lynchburg Cellular's license to Century.

NOW THE COMMISSION, upon consideration of the captioned application and the applicable statutes, is of the opinion and finds that this matter should be docketed; that the application should be granted; that Certificate of Public Convenience and Necessity No. C-36 granted to Lynchburg Cellular on March 6, 1991, should be canceled and new Certificate of Public Convenience and Necessity No. C-36a should be issued in the name of Century Lynchburg Cellular Corp. upon the provision by Century of proof that it has purchased all of Lynchburg Metronet's right, title, and interest in Lynchburg Cellular; and that this proceeding should be continued until Century provides the requisite proof.

Accordingly, IT IS ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUC940001;

(2) That Certificate of Public Convenience and Necessity No. C-36 shall be canceled and new Certificate of Public Convenience and Necessity No. C-36a shall be issued in the name of Century Lynchburg Cellular Corp. upon Century filing with the Clerk of the Commission in this proceeding proof that Century has purchased all of Lynchburg Metronet's right, title, and interest in Lynchburg Cellular; and

(3) That this matter is hereby continued generally.

CASE NO. PUC940001
MAY 13, 1994

APPLICATION OF
LYNCHBURG CELLULAR JOINT VENTURE
and
CENTURY LYNCHBURG CELLULAR CORP.

For cancellation of an existing certificate of public convenience and necessity and issuance of a new certificate

DISMISSAL ORDER

On March 22, 1994, the State Corporation Commission ("Commission") issued an Order conditionally authorizing the issuance to Century Lynchburg Cellular Corp. ("Century" or "the Company") of new Certificate of Public Convenience and Necessity No. C-36a. The same Order authorized the cancellation of Certificate of Public Convenience and Necessity No. C-36 and the issuance of the new Certificate of Public Convenience and Necessity to Century, conditioned upon Century filing proof that it had purchased all of Lynchburg Metronet, Inc.'s ("Lynchburg Metronet") interest in the Lynchburg Cellular Joint Venture ("Lynchburg Cellular"). Lynchburg Cellular is a New York joint venture partnership comprised of two Virginia public service corporations, Century and Lynchburg Metronet. Lynchburg Cellular is authorized to operate as a cellular carrier in the Lynchburg, Virginia cellular geographic service area.

On May 6, 1994, Century filed a document with the Commission demonstrating that it had purchased Lynchburg Metronet's interest in Lynchburg Cellular.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that Certificate of Public Convenience and Necessity No. C-36 should be canceled; that Certificate of Public Convenience and Necessity No. C-36a should be issued in the name of Century Lynchburg Cellular Corp.; and that this matter should be dismissed.

Accordingly, IT IS ORDERED:

(1) That Certificate of Public Convenience and Necessity No. C-36 issued in the name of Lynchburg Cellular Joint Venture shall be canceled;

(2) That new Certificate of Public Convenience and Necessity No. C-36a shall be issued in the name of Century Lynchburg Cellular Corp.; and

(3) That there being nothing further to be done herein, the captioned matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein lodged in the Commission's file for ended causes.

CASE NO. PUC940002
JANUARY 28, 1994

APPLICATION OF
VIRGINIA RSA 3 LIMITED PARTNERSHIP

To amend its certificate for the addition of a cell site in Hillsville

FINAL ORDER

On January 11, 1994, the Virginia RSA 3 Limited Partnership ("the Partnership" or "Applicant") filed a letter with the State Corporation Commission ("Commission"), together with a modified service territory map depicting the service contours resulting from the addition of a cell site in Hillsville, Virginia. The addition of this cell site has the effect of expanding the Cellular Geographic Service Area ("CGSA") in the Virginia 3 - Giles RSA CGSA. In its filing, the Applicant represented that the Federal Communications Commission had approved its application to add this cell site.

WHEREFORE, in consideration of the Applicant's request and the applicable statutes, the Commission is of the opinion and finds that this matter should be docketed; that Certificate of Public Convenience and Necessity No. C-28a granting the Partnership the right to provide service in the Virginia 3 - Giles RSA CGSA should be canceled; and that a new Certificate of Public Convenience and Necessity should be issued and should refer to the new service territory map.

Accordingly, IT IS ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUC940002;

(2) That Certificate of Public Convenience and Necessity No. C-28a issued to the Virginia RSA 3 Limited Partnership is hereby canceled and new Certificate No. C-28b shall be issued. The new Certificate shall refer to the new service territory map filed with this application; and

(3) That there being nothing further to come before the Commission, this matter shall be dismissed, and the record developed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUC940003
APRIL 19, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, formerly THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

To implement local calling plans in C&P exchanges in the Roanoke and Culpeper LATAs

ORDER IMPLEMENTING EXPANDED LOCAL CALLING AND ESTABLISHING PROCEDURE FOR PUBLIC HEARINGS

On October 12, 1993, the Chesapeake and Potomac Telephone Company of Virginia (now named Bell Atlantic-Virginia "BA-VA") filed an application to implement changes to its local calling arrangements in various exchanges and to eliminate local mileage charges. On December 17, 1993, BA-VA filed a request for public notice prescription for phases two and three of its proposal, which would expand the local service areas in the Roanoke and Culpeper LATAs. By order of January 14, 1994, the Commission established this case and prescribed the notice to be mailed to each affected subscriber in the Roanoke and Culpeper LATAs. The notice to customers in the eastern portion of the Roanoke LATA explained how rates would change if their local service area were expanded and provided a deadline for comments or requests for hearing. A separate notice with a later deadline was mailed to customers in the western portion of the Roanoke LATA and to customers in the Culpeper LATA.

The deadline for customers in the eastern portion of the Roanoke LATA to submit comments or requests for public hearing has passed. Responses received by the Commission indicate no support for the proposal to expand the calling of the Buchanan exchange to include the Bedford and Montvale exchanges and opposition from twenty (20) or more customers for the proposals to expand Blacksburg calling to include the exchanges of Salem and Shawsville; to expand Dublin calling to include the exchange of Pearisburg, to expand Pearisburg calling to include the exchanges of the Dublin, Pulaski and Radford, and to expand Pulaski calling to include the exchanges of Pearisburg and Radford. Lack of adverse comment indicates that expanded calling for the remaining exchanges should be granted as being in the public interest. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the BA-VA proposal to expand calling from its Buchanan exchange to include the exchanges of Bedford and Montvale is hereby denied;

(2) That the BA-VA proposal to expand local calling from the Bedford to the Montvale exchange, from the Bent Mountain to the Salem and Shawsville exchanges, from the Montvale to the Bedford and Stone Mountain exchanges, from the Roanoke to the Stone Mountain exchange, from the Salem to the Bent Mountain exchange, from the Shawsville to the Bent Mountain exchange, and from the Stone Mountain to the Montvale and Roanoke exchanges are hereby approved and may be implemented by BA-VA as presently scheduled;

(3) That this matter is assigned to a Hearing Examiner who shall schedule public hearings in the affected area to receive comments from affected customers in the Blacksburg, Dublin, Pearisburg and Pulaski exchanges. Notice of the time and the place of the hearing shall be furnished by BA-VA by publishing twice in newspapers of general circulation in the affected areas;

(4) That the Hearing Examiner shall provide two opportunities per hearing site for affected telephone customers to comment, one to be scheduled in the afternoon and the other to be scheduled in the evening, no later than 7 p.m.; and

(5) That the examiner may call upon the Commission's Division of Communications and BA-VA for assistance in arranging locations for the public hearings.

CASE NO. PUC940003
OCTOBER 11, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC. (formerly the Chesapeake & Potomac Telephone of Virginia)

To implement a local calling plan in Bell Atlantic exchanges in the Roanoke and Culpeper LATAs

ORDER GRANTING PARTIAL AUTHORITY

On October 12, 1993, Bell Atlantic-Virginia, Inc. ("BA-VA") (formerly the Chesapeake and Potomac Telephone Company of Virginia) filed an application to expand the local calling area of various exchanges throughout the Commonwealth. By Order dated January 14, 1994, the Commission established this case and prescribed the notice to be mailed to each affected subscriber in the Roanoke and Culpeper LATAs. By Order of May 17, 1994, the Commission assigned this case to a Hearing Examiner and directed that local hearings be scheduled to receive public comments about whether the proposed expansion of local service was in the public interest. Pursuant to Ruling dated June 3, 1994, the Examiner conducted hearings at 3:00 p.m. and 7:00 p.m., on July 26, 1994 in the Board Room of the Pulaski County Administration Building located in Pulaski, Virginia; On July 27, 1994, in the Montgomery County Courthouse located in Christiansburg, Virginia; and on July 28, 1994, in the Giles County Circuit Courtroom located in Pearisburg, Virginia. Pursuant to Rulings dated June 8, 1994, the Examiner conducted hearings at 3:00 p.m. and 7:00 p.m., on July 18, 1994, in the Culpeper County Board of Supervisors Meeting Room located in Culpeper, Virginia and on July 19, 1994, in the Orange County Board of Supervisors Basement Meeting Room located in Orange, Virginia. The Examiner filed a Report September 7, 1994, recommending approval of BA-VA's application except for the expansion to the Pulaski, Dublin, Radford and Pearisburg exchanges. Copies of the Examiner's Report were mailed to participants and they were given until September 22, 1994 to file any comments. That date has passed and one response, together with a petition signed by 640 persons, was received disagreeing with the Examiner's recommendation to deny extended local calling for the Pulaski, Dublin, Radford and Pearisburg exchanges.

After considering the Examiner's Report and the opposition, the Commission is of the opinion that the findings of the report should be adopted, with the exception of the Pulaski, Dublin, Radford, and Pearisburg exchanges. The disposition of extended local calling for those exchanges will be addressed in a future Commission order. Hence, the Commission finds that BA-VA's application to expand the local calling areas of its Warrenton, Culpeper, Marshall, Louisa, Gordonsville, Remington, Calverton, Brokenburg, Orange, Hartwood, Unionville, Mineral, Blacksburg, Shawsville and Salem exchanges is in the public interest and should be adopted. Accordingly,

IT IS THEREFORE ORDERED:

(1) That BA-VA's proposal to expand the local calling areas of its Warrenton, Culpeper, Marshall, Louisa, Gordonsville, Remington, Calverton, Brokenburg, Orange, Hartwood, Unionville, Mineral, Blacksburg, Shawsville and Salem exchanges is hereby approved and shall be implemented as quickly as BA-VA may do so;

(2) That BA-VA's proposal to expand the local calling area of its Pulaski, Dublin, Radford, and Pearisburg exchanges will be addressed in a future order; and

(3) That this matter is continued generally.

CASE NO. PUC940004
JUNE 14, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC., (Formerly the Chesapeake and Potomac Telephone Company of Virginia)

To implement a local calling plan in the West Point Exchange

FINAL ORDER

On October 12, 1993, the Chesapeake and Potomac Telephone Company of Virginia (now known as Bell Atlantic-Virginia, Inc. "BA-VA") filed an application to expand certain of its local calling areas. By Order dated October 29, 1993, the Commission directed BA-VA to notify customers whose rates would be changed by the implementation of contiguous calling in the Richmond and Lynchburg LATAs. Affected customers were advised to file any comments with the Commission by December 31, 1993.

By Order of January 19, 1994, consideration of contiguous calling for the West Point Exchange was split off from the other BA-VA exchanges in the Richmond and Lynchburg LATAs. By Order of March 3, 1994, the Commission entered an order assigning this matter to a Hearing Examiner and directing that two local hearings be scheduled to consider comments from customers in the West Point area.

The Examiner conducted hearings at 2:00 p.m. and 7:00 p.m., May 17, 1994, in the New Kent County Administration Building located in New Kent, Virginia. The Examiner filed his report May 24, 1994. Copies of the Examiner's Report were mailed to participants, and they were given until June 8, 1994, to file any comments. That date has passed and no comments have been received.

Having considered the Examiner's Report and the lack of opposition, the Commission is of the opinion that the findings of the Report should be adopted. Hence, the Commission finds that BA-VA's application to expand its West Point local calling area to include the Providence Forge/Quinton exchanges is in the public interest and should be adopted. Accordingly,

IT IS THEREFORE ORDERED:

(1) That BA-VA's proposal to expand its West Point local calling area to include the exchanges of Providence Forge/Quinton is hereby approved and shall be implemented as quickly as BA-VA may do so; 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. PUC940005
MAY 16, 1994

APPLICATION OF
BELL ATLANTIC - VIRGINIA, INC.

To implement extended local service from its Christiansburg exchange to the Alum Ridge exchange of Citizens Telephone Cooperative

FINAL ORDER

On January 20, 1994, Bell Atlantic-Virginia, Inc. (formerly Chesapeake and Potomac Telephone Company of Virginia, hereafter "BAVA") filed an application pursuant to the provisions of § 56-484.2 of the Code of Virginia proposing to notify its Christiansburg subscribers about the increases in monthly rates that would be necessary for extending their local service to include the Alum Ridge exchange of Citizens Telephone Cooperative. By Order of January 31, 1994, the Commission directed BA-VA to publish notice about the proposed increase. Comments or requests for hearing were due on or before March 14, 1994.

On March 23, 1994, the Commission Staff submitted its Report referring to the notice that was published by BA-VA and stating that no comments or requests for hearing had been received. The Commission has determined that, pursuant to the provisions of § 56-484.2 A of the Code of Virginia, no poll was required of the Christiansburg exchange because its proposed rate increase would not exceed 5% of the existing monthly one party residential flat rate service. In the absence of requests for a hearing, the Commission may determine that the proposed extension of local service should be implemented without a hearing. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the proposed extension of local service from BA-VA's Christiansburg exchange to the Alum Ridge exchange of Citizens Telephone Cooperative may be implemented in a manner suitable to the two companies; 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. PUC940006
MAY 17, 1994

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

ORDER ACCEPTING OFFER OF SETTLEMENT

On March 1, 1994, the Commission's Division of Communications filed a Motion requesting the Commission to issue a Rule to Show Cause against Eastern Telecom Corporation ("Eastern" or "the Company") to show cause why it should not be found to have violated the Commission's Rules for Pay Telephone Service and Instruments ("Rules") adopted in Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of adopting rules implementing the Pay Telephone Registration Act, Case No. PUC930013 (Nov. 24, 1993 Final Order), as amended by Amending Order dated December 3, 1993. In its Motion, Staff alleged that various telephone instruments owned by Eastern did not permit telephone instrument users to access operator service providers other than those preselected by Eastern and did not allow the user to access the local exchange operator though "0" or "*0." In addition, the Staff represented that the rates quoted to the pay telephone user for toll calls exceeded the Commission's maximum authorized charges permitted by the Rules.

The Commission issued a Rule to Show Cause on March 4, 1994, directing Eastern to appear before a Hearing Examiner on May 3, 1994, to show cause why it should not be found to have violated the Commission Rules, and why, if it has violated these Rules, it should not be fined and why the Commission should not direct such other relief it deems appropriate to protect the public interest. The Commission's Order also established a procedural schedule for responsive pleadings and testimony.

On April 11, 1994, the Company and Staff, each by counsel, advised the Hearing Examiner that they were engaged in settlement negotiations and requested that the procedural schedule, including the hearing, be continued generally to allow time for negotiations to be concluded. The Examiner granted this request and entered a ruling generally continuing the matter.

On May 13, 1994, Staff and Eastern, both by counsel, filed a Motion to Accept Offer of Settlement and an Offer of Settlement. In that Motion, Staff and Eastern requested that the Hearing Examiner enter a ruling recommending that the Commission accept the Offer of Settlement as reasonable and in the public interest.

On May 13, 1994, Deborah V. Ellenberg, Hearing Examiner, entered her Final Report. The Examiner noted that the Company admitted the jurisdiction of the Commission as to the party and subject matter of the case and admitted that several of its pay telephone instruments located in certain locations did not comply with the Commission's Rules in several instances. She noted that the president of the Company tendered a letter with the Offer of Settlement certifying that, to the best of his knowledge, as of May 3, 1994, all of Eastern's pay telephone instruments were and continued to be in compliance with the Commission's Rules.

The Examiner stated that as an offer to settle all matters arising from the allegations made against it, Eastern agreed (i) to pay $5,000 contemporaneously with the entry of an Order accepting the Offer of Settlement; (ii) to be bound by an audit by the Commission's Division of Communications of 70 randomly selected pay telephone instruments, using an audit worksheet attached to the Offer of Settlement; (iii) to pay the Division's costs of conducting the foregoing audit; (iv) to pay a sum of $225 per telephone instrument for each instrument found to be in noncompliance by the Staff as a result of its audit, with the Initial Audit Report to be filed by May 20, 1994; (v) to pay $225 per telephone instrument for those instruments found by the Staff's audit to be charging amounts for telephone calls that exceed the maximum charges allowed by the Rules; and (vi) in no event would a fine of more than $225 per pay telephone be assessed as a result of multiple instances of noncompliance with the Commission's Rules.

The Examiner recommended that the Commission enter an Order Accepting the Offer of Settlement and continuing the matter to receive the Staff's Initial and Final Reports at the conclusion of the Staff's audit of Eastern's pay telephones described in the Report and for resolution of any further instances of noncompliance with the Rules discovered as a result of that audit in accordance with the Offer of Settlement. The Hearing Examiner noted that since she was recommending that the Commission accept the Offer of Settlement, there was no need to establish a period to receive comments to her report.

The Staff has advised the Commission that the preliminary results of the examination of the 70 randomly selected telephone instruments owned by Eastern demonstrate that these instruments appear to comply generally with our Rules. However, Staff has not received the billing data associated with the local, intraLATA toll, and interLATA toll test calls made from the pay telephone instruments they reviewed. In view of the improvement in Eastern's pay telephones' level of compliance with our Rules, we will approve the Offer of Settlement (Attachment A hereto) and continue this matter to receive the Staff's Initial and Final Reports and to resolve any further instances of noncompliance with the Rules discovered as a result of the Staff's audit. We note that the Offer of Settlement resolves all issues as of the date of its execution, May 12, 1994. Any subsequent issues arising after that date may, of course, be the subject of a subsequent proceeding against this Company or its successors. Accordingly,

IT IS ORDERED:

(1) That the recommendations of the May 13, 1994 Hearing Examiner's Report are adopted;

(2) That the May 12, 1994 Offer of Settlement is hereby accepted as in the public interest and is incorporated by reference herein as Attachment A; and

(3) That this matter is hereby continued.

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

CASE NO. PUC940006
MAY 24, 1994

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

ORDER ACCEPTING RECOMMENDATIONS OF INITIAL REPORT

On May 17, 1994, the State Corporation Commission ("Commission") entered an order accepting an Offer of Settlement filed jointly by Eastern Telecom Corporation ("Eastern" or "the Company") and the Division of Communications ("Staff"). Under the Settlement terms, the Company agreed to be bound by the Staff's audit of 70 randomly selected pay telephone instruments owned by Eastern. The Staff agreed to file its Initial Audit Report with the Commission by May 20, 1994, addressing the results of its audit using the Pay Telephone Audit Worksheet attached to the Offer of Settlement. The only issues excluded from this Report were those relating to billed charges for local, intraLATA toll, and interLATA intrastate toll calls. The audit results relating to these billed charges would be addressed in the Staff's Final Report. The Offer of Settlement further provided that if any of the telephone instruments did not comply with the Commission's Rules for Pay Telephone Service and Instruments ("Rules") adopted in Case No. PUC930013, the Company would pay $225 per pay telephone instrument for each instrument not complying with the Rules. Further, Eastern agreed to bring any noncomplying instruments immediately into compliance with the Rules. Any amounts due for Rule violations were payable within five days of the date the Initial Audit Report was filed with the Commission.

On May 19, 1994, the Staff filed its Initial Audit Report. Among other things, Staff found that 66 of the 70 sampled pay telephones could establish reliable connections and were in service. Four of the instruments audited were not in proper working order. The Commission's Rules provide that troubles which interrupt pay telephone service must be corrected within 24 hours of the receipt of a report of the out of service condition. Because the Staff was unable to determine during the audit that previous reports of the out of service conditions have been made to Eastern, it recommended that no charge of noncompliance be made for these pay telephones. The Staff stated that it would communicate the locations and telephone numbers of the 4 instruments to Eastern so that the Company could restore service to them.

The Staff also noted that it was working with a pay telephone industry advisory group to develop a uniform format for consumer information cards to be posted at pay telephone stations. The Staff characterized Eastern's overall performance in providing consumer information as good. The Staff concluded that Eastern was generally in compliance with the Rules and recommended that on the basis of the Initial Audit Report, no additional fines be assessed against Eastern. The Staff indicated that it would evaluate the audited instruments' performance on rates billed for local, intraLATA toll, and interLATA toll calls once it received the bills for the test calls made during the audit.

NOW, UPON CONSIDERATION of the Initial Audit Report, the Commission is of the opinion and finds that the recommendations of the Staff should be adopted and that no additional fines should be assessed against Eastern on the basis of that Report. Rule 18 of the Rules for Pay Telephone Service and Instruments addresses service interruptions at pay telephone stations. It provides:

> All pay telephone service providers must make all reasonable efforts to minimize the extent and duration of service interruptions. Ninety percent to one hundred percent (90-100%) of all pay telephone instruments which are reported as being out of service, when the trouble condition does not require construction work, must be restored to service within twenty-four (24) hours of the report receipt. The 24 hour clearance standard excludes trouble reports received on Sundays, legal holidays, and during emergency operating conditions. Out of service reports which require construction must be cleared within five business days of report receipt.

Our Staff should immediately advise Eastern of the locations and telephone numbers of the pay telephone instruments experiencing service interruptions. Consistent with the provisions of Rule 18, we expect Eastern to restore service to these instruments promptly. Should a subsequent inspection of these instruments reveal that service has not been restored, these service interruptions may be the subject of further action by the Commission.

Accordingly, IT IS ORDERED:

(1) That the recommendations set out in the Staff's May 19, 1994 Initial Audit Report are adopted; and

(2) That this matter is hereby continued to receive the Staff's Final Report, to resolve any instances of noncompliance with the Rules discovered as a result of the Staff's audit, and to ensure compliance with the Settlement terms accepted by our May 17 Order.

CASE NO. PUC940006
AUGUST 10, 1994

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

ORDER ACCEPTING RECOMMENDATIONS OF FINAL AUDIT REPORT

On May 17, 1994, the State Corporation Commission ("Commission") entered an order accepting an Offer of Settlement filed jointly by Eastern Telecom Corporation ("Eastern" or "the Company") and the Division of Communications ("Staff"). Under the settlement terms, Eastern agreed to be bound by the Staff's audit of 70 randomly selected pay telephone instruments owned by the Company. Among the areas to be evaluated as part of this audit were the charges billed from the audited pay telephone instruments for local, intraLATA toll, and interLATA intrastate toll calls. The audit results relating to these billed charges were to be addressed in the Staff's Final Audit Report. The Offer of Settlement further provided that if any of the audited pay telephones were found to exceed the maximum charges allowed by the Commission's Rules for Pay Telephone Service and Instruments ("Rules") adopted in Case No. PUC930013, the Company would pay a fine of $225 per telephone instrument for each such instrument exceeding the authorized charges. In addition, the Company agreed to bring these telephone instruments promptly into compliance with Rules 12 and 13, which specify the maximum charges allowed for calls placed from privately owned pay telephone instruments.

On July 22, 1994, the Commission Staff filed its Final Audit Report. In its Report, the Staff noted that 29 test calls were rated at amounts exceeding the maximum charges allowed by Rules 12 and 13. Of these 29 calls, 15 involved an overcharge of $.01. In the other 14 cases, the amounts of overcharge exceeded $.01. With respect to the 15 intraLATA calls for which the overcharge was $.01, the Staff did not recommend a fine. The Staff observed there were too many variables in the rating of these calls, such as the computation of airline miles, to be absolutely precise as to the charges to be applied within the tariffed rate bands. The Staff did recommend a fine of $3,150.00 for the 14 calls which exceeded the maximum charges allowable for local and intraLATA toll calls. In addition, the Staff recommended that Eastern investigate and correct its rating process and file a report with the Commission certifying that corrective action had been completed.

On August 1, 1994, Company's counsel filed a letter with the Commission, stating that Eastern had represented to counsel that it had reprogrammed its computer to correct its rates and that the instances of noncompliance have been corrected. Eastern tendered a check in the amount of $3,150.00 as recommended in the Staff's July 22, 1994 Report.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that the recommendations of the Staff's Final Report should be adopted and that the Company's check in the amount of $3,150.00 should be accepted. We agree with the Staff that Eastern should identify why the overcharges occurred and should certify that corrective action has been taken. We will, therefore, direct Eastern to file a Report with the Commission, on or before August 24, 1994, identifying the reasons for the overcharges discovered in the Staff's Final Report and describing the corrective actions taken by the Company as to these overcharges.

Accordingly, IT IS ORDERED:

(1) That the recommendations of the Staff's July 22, 1994 Final Report are hereby adopted;

(2) That Eastern's payment of a fine in the amount of $3,150.00 is accepted;

(3) That, on or before August 24, 1994, Eastern shall file with the Clerk of the Commission a Report explaining the reasons for the overcharges identified by the Staff's July 22, 1994 Report, and describing the corrective actions taken by Eastern to assure its compliance with the Commission's Rules; and

(4) That this matter be continued to receive Eastern's Report and to assure compliance with the settlement terms accepted by our May 17 Order.

CASE NO. PUC940006
AUGUST 31, 1994

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

DISMISSAL ORDER

On August 10, 1994, the State Corporation Commission ("Commission") entered an Order in the captioned matter accepting the recommendations contained in the Staff's July 22, 1994 Final Audit Report. Among other things, this Order accepted Eastern Telecom Corporation's ("Eastern's" or "the Company's") payment of a fine in the amount of $3,150, and directed Eastern to file a Report with the Clerk of the Commission, identifying the reasons for the overcharges discovered in the Final Report and describing the corrective actions taken by the Company.

On August 24, 1994, the Company, by counsel, filed its Report addressing its compliance actions. Eastern's Report explained that the overcharges of $0.01 noted in the Staff's Report resulted from an error in its computer program which rounded off the amounts charged for certain calls; that overcharges for three

calls resulted from the use of outdated local exchange tariffs; and that eleven of the overcharges resulted from Eastern's misinterpretation of Bell Atlantic and GTE tariffs addressing discounts to operator assisted charges. Eastern reported that it had reprogrammed its computer to eliminate rounding errors, updated its tariffs, and is now aware of how Bell Atlantic and GTE apply discounts for operator-assisted calls. The Company represented that the discrepancies noted in the Staff's July 22 Report have been corrected and will not recur.

NOW, HAVING CONSIDERED the Company's Report, the Commission is of the opinion and finds that there is nothing further to be done in this matter and that the proceeding should be dismissed. We urge the Company to continue to comply with our Rules for Pay Telephone Service and Instruments. We note that this proceeding resolves only those issues as of the date of the acceptance of the Offer of Settlement. Any subsequent issues regarding rule noncompliance may be the subject of a subsequent proceeding against the Company or its successors.

Accordingly, IT IS ORDERED that there being nothing further to be done herein, this matter is hereby dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUC940012
JUNE 24, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement local calling plan in its exchanges in the Norfolk LATA

FINAL ORDER

On October 12, 1993, the Chesapeake and Potomac Telephone Company of Virginia, (renamed Bell Atlantic-Virginia Inc., hereafter "BA-VA") filed an application to implement changes to its local calling arrangements in various BA-VA exchanges and to eliminate local mileage charges. On November 23, 1993, BA-VA filed calling plan implementation schedules for phases two through five, whose tentative implementation dates are June, August, October and December 1994, respectively.

By Order of April 18, 1994, the Commission instituted this proceeding covering the Norfolk LATA and prescribed notice for BA-VA to furnish its customers in the Norfolk LATA whose rates would be changed by expansion of their local service area. Affected customers were advised to file any comments with the Commission by June 9, 1994. That Order also stated that, if an insufficient number of objections or requests for hearing were received, the proposal might be approved without hearing. That deadline has now passed and an insufficient number of objections or requests for hearing were received concerning BA-VA's proposals for expanded local calling from Suffolk to its Norfolk/Virginia Beach, Portsmouth, Hampton, Newport News, Peninsula, and Poquoson exchanges and from its Whaleyville exchange to its Norfolk/Virginia Beach and Portsmouth exchanges. The Commission is of the opinion that the proposals should be approved for those exchanges for implementation on or about October 1, 1994.

The remaining exchanges will be separated from this case and considered in new cases to be instituted by the Commission. Accordingly, IT IS THEREFORE ORDERED:

(1) That the BA-VA proposals for the expansion of local calling areas from the Suffolk to the Norfolk/Virginia Beach, Portsmouth, Hampton, Newport News, Peninsula, and Poquoson exchanges and for the expansion of local calling from the Whaleyville exchange to the Norfolk/Virginia Beach and Portsmouth exchanges are hereby approved and shall be implemented on or about October 1, 1994;

(2) That all matters in this case concerning the expansion of local calling from the Cape Charles to the Norfolk/Virginia Beach and Portsmouth exchanges are hereby separated from this case and shall be considered further in Case No. PUC940026 instituted by the Commission;

(3) That all matters in this case concerning the expansion of local calling from the Hampton to the Norfolk/Virginia Beach, Portsmouth, Suffolk and Williamsburg exchanges; from the Newport News to the Norfolk/Virginia Beach, Portsmouth, Suffolk, and Williamsburg exchanges; from the Peninsula to the Norfolk/Virginia Beach, Portsmouth and Suffolk exchanges; and from the Poquoson to the Norfolk/Virginia Beach, Portsmouth, Suffolk, and Williamsburg exchanges are hereby separated from this case and shall be considered further in Case No. PUC940027 instituted by the Commission; and

(4) That all matters in this case concerning the expansion of local calling from the Williamsburg to the Hampton, Newport News, and Poquoson exchanges are hereby separated from this case and shall be considered further in Case No. PUC940028 instituted by the Commission; and

(5) 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. PUC940013
MAY 9, 1994

APPLICATION OF
MID-ATLANTIC PAGING COMPANY, INC.

For cancellation of its existing certificate of public convenience and necessity and issuance of a new certificate to FirstPAGE USA of Virginia, Inc.

ORDER CONDITIONALLY APPROVING ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On March 23, 1994, Mid-Atlantic Paging Company, Inc. ("Mid-Atlantic" or "the Company") delivered documents to the State Corporation Commission ("Commission") requesting authority, as part of a corporate restructuring, to transfer the Company's certificate of public convenience and necessity to offer radio common carrier paging services in the Commonwealth of Virginia to a newly formed Virginia public service corporation, FirstPAGE USA of Virginia, Inc. ("FirstPAGE of Virginia"). The Company also requested that the Commission grant authority to FirstPAGE of Virginia to have its rates set on a competitive basis pursuant to Virginia Code § 56-508.5B. The Company subsequently filed documents completing its application.

In support of its application, the Company stated that it is a Virginia public service corporation offering radio common carrier service pursuant to Certificate of Public Convenience and Necessity No. RCC-138 and operates 29 base station transmitter or control facilities at various locations throughout the eastern half of the Commonwealth. Mid-Atlantic is controlled by New Era Communications, Inc. ("New Era"), a Virginia corporation.

Mid-Atlantic proposes to assign all of Mid-Atlantic's FCC paging licenses and its certificate of public convenience and necessity to FirstPAGE of Virginia and to amend Mid-Atlantic's articles of incorporation to become a Virginia general business corporation. FirstPAGE of Virginia will operate the RCC paging facilities formerly owned by Mid-Atlantic and will adopt the rates and charges currently imposed by Mid-Atlantic pursuant to its price list on file with the Commission. The officers and directors of FirstPAGE of Virginia will be the same individuals who served as officers and directors of Mid-Atlantic.

Mid-Atlantic will then merge into FirstPAGE USA, Inc. ("FirstPAGE"), a Delaware public service corporation. Mid-Atlantic represented that it will comply with all Virginia corporate statutes in accomplishing this merger. According to the Company, this corporate restructuring is necessary to simplify its current operating structure and provide it with more options for future business alliances and financing opportunities.

NOW, upon consideration of the Company's application and the applicable statutes, the Commission is of the opinion and finds that this matter should be docketed; that the corporate restructuring should have no effect on the Company's operations in Virginia inasmuch as the same officers and directors will conduct the Company's operations in Virginia; that the Company's application should be granted, provided that Mid-Atlantic and FirstPAGE of Virginia file appropriate documents with the Commission demonstrating the following: (i) that FirstPAGE and Mid-Atlantic have properly complied with the corporate laws of Virginia; (ii) that the necessary approvals from the Federal Communications Commission ("FCC") authorizing the transfer of Mid-Atlantic's FCC licenses have been received and that these licenses have been transferred to FirstPAGE of Virginia; (iii) that the merger has been consummated; and (iv) that FirstPAGE of Virginia has filed appropriate tariff sheets with the Commission's Division of Communications adopting Mid-Atlantic's price lists, rules, regulations, and terms and conditions of service on file with the Commission; and that upon receipt of the foregoing documents, Certificate of Public Convenience and Necessity No. RCC-138 shall be canceled and new Certificate of Public Convenience and Necessity No. RCC-138a should be issued in the name of FirstPAGE USA of Virginia, Inc.

Accordingly, IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUC940013;

(2) That the Company's application is hereby granted provided that Mid-Atlantic and FirstPAGE of Virginia file appropriate documents on or before May 13, 1994, demonstrating: (i) that FirstPAGE and Mid-Atlantic have properly complied with the corporate laws of Virginia; (ii) that the merger described herein has been consummated; (iii) that all necessary approvals from the FCC authorizing the transfer of FCC licenses to FirstPAGE of Virginia have been received and that these licenses have been transferred to FirstPAGE of Virginia; and (iv) that FirstPAGE of Virginia has filed appropriate tariff sheets adopting Mid-Atlantic's price lists, rules, regulations, and terms and conditions of service with the Commission's Division of Communications;

(3) That upon receipt of the documents required by Ordering Paragraph (2) herein, Certificate of Public Convenience and Necessity No. RCC-138 shall be canceled and new Certificate of Public Convenience and Necessity No. RCC-138a shall be issued by the Division of Communications in the name of FirstPAGE USA of Virginia, Inc.; and

(4) That upon receipt of the proof required in Ordering Paragraph (2) hereof, FirstPAGE of Virginia shall be authorized to have its rates established on a competitive basis pursuant to Virginia Code § 56-508.5B, and the Commission's Rules Governing Radio Common Carrier Services adopted in Case No. PUC890042; and

(5) That this matter is continued until further order of the Commission.

CASE NO. PUC940013
MAY 13, 1994

APPLICATION OF
MID-ATLANTIC PAGING COMPANY, INC.

For cancellation of its existing certificate of public convenience and necessity and issuance of a new certificate to FirstPAGE of Virginia, Inc.

AMENDING ORDER

On May 9, 1994, the State Corporation Commission ("Commission") issued an Order conditionally approving the cancellation of Certificate of Public Convenience and Necessity No. RCC-138 issued to Mid-Atlantic Paging Company ("Mid-Atlantic") and authorizing the issuance of Certificate of Public Convenience and Necessity No. RCC-138a to FirstPAGE USA of Virginia, Inc. ("FirstPAGE of Virginia"). As a condition to receiving the authority requested by the captioned application, the Commission required FirstPAGE of Virginia and Mid-Atlantic to file various documents with the Division of Communications by May 13, 1994.

On May 11, 1994, Mid-Atlantic, by counsel, filed a Motion requesting that the May 9, 1994 Order be amended to delete the requirement that the conditions specified in that Order be completed by May 13, 1994. In support of its request, Mid-Atlantic stated that because of approvals which relate to the Company's certificated operations in two other states, it would not be able to effect its proposed corporate restructuring by May 15, 1994. Mid-Atlantic represented that it would meet all of the remaining required conditions set out in the May 9, 1994 Order prior to effecting the corporate restructuring described in its application.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that Mid-Atlantic's request should be granted; that the reference to the May 13, 1994 completion date found in the May 9, 1994 Order Conditionally Approving Issuance of a Certificate of Public Convenience and Necessity should be deleted; and that the provisions of the May 9 Order should otherwise remain in effect.

Accordingly, IT IS ORDERED:

(1) That Mid-Atlantic's Motion dated May 10, 1994, shall be granted;

(2) That the May 13, 1994 completion date found in the May 9 Order shall be eliminated; and

(3) That in all other respects, the May 9, 1994 Order shall remain unamended.

CASE NO. PUC940014
MAY 6, 1994

APPLICATION OF
RICHMOND CELLULAR TELEPHONE COMPANY
and
RCTC WHOLESALE COMPANY

For issuance of a certificate of public convenience and necessity as a cellular mobile radio common carrier and for cancellation of an existing certificate

ORDER GRANTING AMENDED CERTIFICATE

On April 11, 1994, Richmond Cellular Telephone Company ("the Applicant" or "the Company") and RCTC Wholesale Company ("the Withdrawing Company" or "the Partnership") (hereafter referred to collectively as "the Joint Applicants") filed a joint application with the State Corporation Commission ("Commission") pursuant to Virginia Code § 56-508.10 and -508.11. In this application, the Joint Applicants requested that the Commission cancel the Partnership's existing Certificate of Public Convenience and Necessity to provide cellular mobile radio communications service in Virginia and issue an amended certificate to the Applicant, a wholly-owned subsidiary of the Partnership. In support of its application, the Joint Applicants have stated that the Company will prospectively change its name to "RCTC Wholesale Corporation" and amend its articles of incorporation to become a public service corporation. Upon issuance to Applicant of an amended certificate of public convenience and necessity, Applicant's cellular plant facilities, service, proposed wholesale tariff, proposed cellular geographic service areas, reliable service area contour, cell site locations, and the SMSA boundary in its proposed service area shall be identical to those currently filed with the Commission.

The Joint Application further represents that pursuant to an internal restructuring, the Withdrawing Company will cease operations as a cellular mobile radio communications carrier, and Richmond Cellular Telephone Company, its wholly-owned subsidiary, will offer cellular mobile radio communications service in Virginia. The application states that the Federal Communications Commission ("FCC") has granted prospective consent to the pro forma transfer of control from the Withdrawing Company to Applicant to operate a cellular mobile radio communications carrier in the Richmond, Virginia metropolitan area.

The Joint Applicants have asked the Commission to grant their application for issuance of an amended certificate contingent upon, and effective at 11:59 p.m. on the date of, the prospective transfer of the FCC licenses to the Applicant. They further request that the amended certificate be issued in the name of RCTC Wholesale Corporation, the public service corporation to be formed after the amendment of the Applicant's articles of incorporation.

NOW, upon consideration of the foregoing and consistent with the authority granted in Virginia Code §§ 56-508.10 and -508.11, the Commission is of the opinion and finds that the captioned matter should be docketed; that Certificate of Public Convenience and Necessity No. C-6a issued in the name of RCTC

Wholesale Company should be canceled and amended Certificate of Public Convenience and Necessity No. C-6b should be issued in the name of RCTC Wholesale Corporation, contingent upon, and effective at 11:59 p.m. on the date of, the prospective transfer of the FCC licenses from the Withdrawing Company to the Applicant and contingent upon the amendment of the Applicant's articles of incorporation changing its name to RCTC Wholesale Corporation and incorporating as a public service corporation; that the Applicant should file documents demonstrating that the foregoing contingencies have occurred prior to the issuance of the amended certificate and cancellation of the existing certificate; that RCTC Wholesale Corporation should adopt the maps and tariffs of the Withdrawing Company on file with the Commission; and that this matter should be dismissed.

Accordingly, IT IS ORDERED:

(1) That the captioned matter shall be docketed and assigned Case No. PUC940014;

(2) That Certificate of Public Convenience and Necessity No. C-6a issued in the name of RCTC Wholesale Company shall be canceled and amended Certificate of Public Convenience and Necessity No. C-6b shall be issued in the name of RCTC Wholesale Corporation, contingent upon, and effective at 11:59 p.m. on the date of, the prospective transfer of the FCC licenses from the Withdrawing Company to Applicant, and contingent upon the amendment of the Applicant's articles of incorporation changing its name to RCTC Wholesale Corporation and incorporating as a public service corporation;

(3) That Applicant shall file with the Division of Communications documents demonstrating that the foregoing contingencies have occurred prior to the issuance of the amended certificate and cancellation of the existing certificate;

(4) That RCTC Wholesale Corporation shall adopt the maps and tariffs of the Withdrawing Company on file with the Commission; and

(5) That there being nothing further to be done herein, this matter shall be dismissed.

CASE NO. PUC940015
MAY 16, 1994

PETITION OF
MCI TELECOMMUNICATIONS CORPORATION OF VIRGINIA

For authority to offer non-tariffed competitive pricing arrangements

ORDER GRANTING AUTHORITY

On April 15, 1994, MCI Telecommunications Corporation of Virginia ("MCI" 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, MCI noted that AT&T Communications of Virginia, Inc. had received authority from the Commission to offer a similar service. See, Application of AT&T Communications of Virginia, Inc., For authority to offer non-tariffed custom service packages, Case No. PUC890022, 1989 S.C.C. Ann. Rept. 220.

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 VA S.C.C. Tariff No. 3:

> 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 MCI's request for authority, we are not authorizing MCI to deviate from the Commission's rules regarding the provision of intra-LATA service. MCI 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 MCI subscribers, we believe no further public notice is necessary. As we noted in Application of AT&T Communications of Virginia, Inc., For authority to offer non-tariffed custom service packages, Case No. PUC890022, "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, we will require MCI 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 MCI or ordered by the Commission. This will allow the Staff to monitor these arrangements to insure that predatory pricing does not occur, and the Commission's rules regarding the provision of intra-LATA services are followed. In addition, MCI 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. PUC940015;

(2) That the application of MCI 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 MCI's Va. S.C.C. Tariff No. 3 shall include the language set forth on page 2 hereof; 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. PUC940018
OCTOBER 21, 1994

APPLICATION OF
ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide inter-LATA, inter-exchange telecommunications service in Virginia and to have its rates determined competitively

FINAL ORDER

On May 13, 1994, Access Transmission Services of Virginia, Inc. ("ATS-V" or "the Company") completed its application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide inter-LATA, inter-exchange telecommunications service to the public and to have its rates set competitively. In its application, the Company proposes initially to offer service in Arlington, Roanoke, Richmond, Norfolk, Charlottesville, Burkeville, Lynchburg, Staunton, Lexington, and Newport News and to add additional connections as market conditions and business interests warrant. ATS-V proposes to provide the following types of intrastate services: (i) Inter-LATA, dedicated point-to-point private line services; and (ii) Inter-LATA high capacity, i.e., DS1 and DS3, dedicated nonswitched access from the end-user to the inter-exchange carrier's ("IXC's") point of presence ("POP"), and from IXC POP to IXC POP for the transmission of inter-exchange communications.

On June 15, 1994, ATS-V amended its initial tariffs to add Section 4.3. This amendment addressed ATS-V's proposal to offer nontariffed competitive pricing arrangements. Further, the June 15, 1994 filing clarified that the Company wished to have its rates set on a competitive basis pursuant to Virginia Code § 56-481.1.

On June 22, 1994, the Commission entered an Order directing ATS-V to provide notice to the public of its application. In this Order, the Commission invited interested persons to file objections to, or requests for hearing on, the application on or before August 15, 1994, in the captioned matter. The Commission advised that if substantive objections to or requests for hearing on the Company's application were received on or before August 15, 1994, the Commission would schedule a public hearing on the application; otherwise, the Commission might consider the application and authority for competitive rates without conducting an ore tenus hearing.

On August 25, 1994, the Company filed its proof of compliance with the publication and notice requirements prescribed by the June 22, 1994 Order. No comments or requests for hearing on the application were filed.

On August 31, 1994, the Commission entered an Order directing its Staff to file a Report analyzing the Company's application and initial tariffs. In the same Order, the Commission invited the Company to file any response or request for hearing on the Staff's Report by October 3, 1994.

On September 19, 1994, the Staff filed its Report. In its Report, the Staff advised that ATS-V had complied with the Commission's Rules Governing the Certification of Inter-LATA, Inter-exchange Carriers ("Rules") adopted in Case No. PUC840017, and recommended that the Commission grant the application.

On September 19, 1994, ATS-V filed revised tariff pages consistent with the Commission's policy on customer deposits and late payments. The Company filed no further response to the Staff Report and did not request a hearing.

NOW, upon consideration of the Company's application, as amended and supplemented, and the applicable law, the Commission is of the opinion and finds that ATS-V has the technical and managerial ability to provide telecommunications service in Virginia; that the public interest will be served by the services offered and competition created by ATS-V; that a certificate of public convenience and necessity should be granted to ATS-V to provide inter-LATA, inter-exchange service in the areas indicated on the map filed as part of the Company's application; that the Company is authorized to set its rates competitively and to offer nontariffed competitive pricing arrangements; and that ATS-V should file revised tariffs with the Division of Communications, incorporating all the revisions it has made to the initial tariffs accompanying its application. Accordingly,

IT IS ORDERED:

(1) That ATS-V is hereby granted Certificate of Public Convenience and Necessity No. TT-22A to provide the inter-LATA, inter-exchange access services proposed in its application, subject to the restrictions and conditions set out in the Commission's Rules Governing the Certification of Inter-LATA, Inter-exchange Carriers and in § 56-265.4:4 of the Code of Virginia;

(2) That ATS-V forthwith file with the Commission's Division of Communications three (3) copies of tariffs for its service that conform with the Commission's Rules and Regulations;

(3) That such conforming tariffs filed by ATS-V shall become effective at a date of the Company's choosing;

(4) That the Company may have its rates determined competitively as provided in § 56-481.1 of the Code of Virginia. However, changes in the Company's tariffs shall be accomplished as set forth in Rule 11 of the Commission's Rules Governing the Certification of Inter-LATA, Inter-exchange Carriers;

(5) That ATS-V is granted the authority to offer nontariffed competitive pricing arrangements, subject to the requirement that a copy of each such arrangement be filed on a proprietary basis with the Commission's Division of Communications; and

(6) That there being nothing further to be done herein, this case shall be dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUC940019
SEPTEMBER 6, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement Extended Local Service from its Enon, Hopewell, and Petersburg Exchanges to GTE-Va's Claremont Exchange

FINAL ORDER

On April 27, 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 provisions of § 56-484.2 of the Code of Virginia proposing to notify the Company's Enon, Hopewell, and Petersburg subscribers about the increases in monthly rates that would necessary to extend their local service to include the Claremont exchange of GTE-Va. By Order of May 17, 1994, the Commission directed BA-VA to publish notice about the proposed increase. Comments or requests for hearing were due on or before July 11, 1994.

On July 20, 1994, the Commission Staff submitted its Report referring to the notice that was published by BA-VA, and stating that three comments objecting to the proposal had been received from the Hopewell exchange. The Commission has determined that, pursuant to provisions of § 56-484.2A of the Code of Virginia, no poll was required of the Enon, Hopewell, and Petersburg exchanges because the proposed rate increases would not exceed 5% of the existing monthly one party residential flat rate service in those exchanges. The Commission need not convene a hearing unless requested by the lesser of five percent or 150 of the customers in the affected exchanges, § 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 Enon, Hopewell, and Petersburg exchanges to the Claremont exchange of GTE-Va may be implemented in a manner suitable to the two companies; 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. PUC940020
MAY 16, 1994

APPLICATION OF
PACTEL PAGING OF VIRGINIA, INC.

To amend its certificate of public convenience and necessity to reflect a new corporate name

FINAL ORDER

On May 6, 1994, PacTel Paging of Virginia, Inc. ("PacTel" or "the Company") filed an application with the State Corporation Commission ("Commission") requesting the amendment of Certificate of Public Convenience and Necessity No. RCC-165, to reflect the Company's new corporate name. In support of its application, the Company enclosed a copy of its articles of amendment. A Certificate of Amendment issued by the Commission's Clerk's Office indicates that this amendment was accepted on March 23, 1994. Counsel for PacTel has represented to Staff counsel that no changes in the Company's Virginia operations have occurred as a result of this name change.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that this matter should be docketed; that the Company's existing Certificate of Public Convenience and Necessity should be canceled; that amended Certificate of Public Convenience and Necessity No. RCC-165a should be issued to AirTouch Paging of Virginia, Inc. to reflect the change in the Company's corporate name; that AirTouch Paging of Virginia, Inc. should forthwith file tariffs with the Division of Communications reflecting its new name; and that the captioned matter should be dismissed.

Accordingly, IT IS ORDERED:

(1) That the captioned matter is hereby docketed and assigned Case No. PUC940020;

(2) That Certificate of Public Convenience and Necessity No. RCC-165 held by PacTel Paging of Virginia, Inc. is hereby canceled, and amended Certificate of Public Convenience and Necessity No. RCC-165a shall be issued to reflect the new corporate name, AirTouch Paging of Virginia, Inc., Formerly PacTel Paging of Virginia, Inc.;

(3) That AirTouch Paging of Virginia, Inc. shall forthwith file renamed tariffs with the Division of Communications reflecting its new corporate name; and

(4) That there being nothing further to be done herein, this docket shall be closed and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUC940021
SEPTEMBER 6, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement Extended Local Service from its Culpeper Exchange to Sprint/Centel's Washington, Virginia Exchange

FINAL ORDER

On May 10, 1994, Bell Atlantic-Virginia, Inc. (formerly 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 § 56-484.2 of the Code of Virginia, proposing to notify the Company's subscribers in the Culpeper Exchange about the increases in monthly rates that would be necessary to extend their local service to include the Washington, Virginia exchange of Central Telephone Company of Virginia ("Sprint/Centel"). By Order of May 16, 1994, the Commission directed BA-VA to publish notice about the proposed increase. Comments or requests for hearing were due on or before July 5, 1994. On July 20, 1994, the Division of Communications submitted its Report referring to the notice published by BA-VA and stating that no comments or requests for hearing had been received. The Commission has determined that, pursuant to the provision of § 56-484.2.A of the Code of Virginia, no poll was required of the Culpeper exchange because its proposed rate increase would not exceed 5% of the existing monthly one party residential flat rate service. The Commission need not convene a hearing unless requested by the lesser of five percent or 150 of the customers in the affected exchanges, § 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 Culpeper Exchange to the Washington, Virginia Exchange of Sprint/Centel may be implemented in a manner suitable to the two companies; 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. PUC940022
OCTOBER 17, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement Extended Local Service from its Cumberland exchange to the Arvonia, Buckingham, and Dillwyn exchanges of the Central Telephone Company of Virginia

FINAL ORDER

On May 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 Cumberland subscribers about the increases in monthly rates that would be necessary to extend their local service to include the Arvonia, Buckingham, and Dillwyn exchanges of the Central Telephone Company of Virginia ("Centel"). By Order of May 16, 1994, the Commission directed BA-VA to publish notice about the proposed increase. Comments or requests for hearing were due on or before July 5, 1994. On July 21, 1994, the Division of Communications submitted its report referring to the notice published by BA-VA and stating that no comments or requests for hearing had been received. In a separate matter, customers in Centel's Farmville exchange, by means of a customer poll, approved extended local service to the same Centel exchanges of Arvonia, Buckingham, and Dillwyn.

The Commission has determined that, pursuant to provisions of § 56-484.2A of the Code of Virginia, no poll is required of the Cumberland exchange because its proposed rate increase would 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 of the customers in the Cumberland exchange, § 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 Cumberland Exchange to the Arvonia, Buckingham, and Dillwyn exchanges of Centel may be implemented in a manner suitable to the two companies; 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. PUC940023
SEPTEMBER 1, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service form the Bethia, Midlothian, Powhatan and Richmond Exchanges to Amelia Telephone Corporation's Amelia Exchange

FINAL ORDER

On May 10, 1994, Bell Atlantic-Virginia, Inc. (formerly 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 § 56-484.2 of the Code of Virginia proposing to notify the Company's Bethia, Midlothian, Powhatan and Richmond subscribers about the increases in monthly rates that would be necessary to extend their local service to include the Amelia Exchange of Amelia Telephone Corporation. By Order of May 17, 1994, the Commission directed BA-VA to publish notice about the proposed increase. Comments or requests for hearing were due on or before July 11, 1994.

On July 20, 1994, the Division of Communications submitted its Report referring to the notice that was published by BA-VA and stating that one comment objecting to the proposal had been received from the Powhatan exchange. The Commission has determined that, pursuant to provisions of § 56-484.2A of the Code of Virginia, no poll was required of the Bethia, Midlothian, Powhatan and Richmond exchanges because the proposed rate increases would not exceed 5% of the existing monthly one party residential flat rate in those exchanges. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 of the customers in the affected exchanges, § 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 Bethia, Midlothian, Powhatan and Richmond exchanges to the Amelia exchange of Amelia Telephone Corporation may be implemented in a manner suitable to the two companies; 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. PUC940025
JUNE 10, 1994

APPLICATION OF
VIRGINIA RSA #4, INC. and VIRGINIA RSA #5, INC.

To cancel existing certificate and issue an amended certificate

ORDER GRANTING AMENDED CERTIFICATE AND CANCELING EXISTING CERTIFICATE

On May 26, 1994, Virginia RSA No. 4, Inc. ("the Company" or "RSA No. 4") and Virginia RSA No. 5, Inc. ("RSA No. 5"), hereafter collectively referred to as "Joint Applicants," filed an application to cancel the certificate of public convenience and necessity issued to RSA No. 5 and to issue an amended certificate of public convenience and necessity to RSA No. 4. In support of this application, the Joint Applicants alleged that RSA No. 4 and RSA No. 5 are wholly-owned subsidiaries of United States Cellular Corporation ("USCC") and that USCC wished to assign the assets, including its Federal Communications Commission ("FCC") license and Virginia certificate of public convenience and necessity from Virginia RSA No. 5, Inc. to Virginia RSA No. 4, Inc. The application states that RSA No. 4 is a Virginia public service company and that the FCC has granted its consent to the assignment of the license from RSA No. 5 to the Company for Rural Service Area No. 5 - Bath. The application represents that tariffs for RSA No. 4 and RSA No. 5 are identical and requests authority under Virginia Code § 56-508.11 for the cancellation of the existing Certificate of Public Convenience and Necessity No. C-58 and the issuance of Amended Certificate of Public Convenience and Necessity No. C-58a to Virginia RSA No. 4, Inc.

NOW, upon consideration of the foregoing application, the consent of the FCC to the assignment of the common carrier radio license from Virginia RSA # 5, Inc. to Virginia RSA #4, Inc., and the applicable law, the Commission is of the opinion and finds that the captioned matter should be docketed; that existing Certificate of Public Convenience and Necessity No. C-58 should be canceled; that amended Certificate of Public Convenience and Necessity No. C-58a should be issued to Virginia RSA No. 4, Inc., authorizing it to provide service in Rural Service Area No. 5 - Bath; that the Company should refile its tariffs indicating that the tariffs for RSA No. 5 are now in the name of RSA No. 4; and that this matter should be dismissed.

Accordingly, IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUC940025;

(2) That Certificate of Public Convenience and Necessity No. C-58 issued to Virginia RSA No. 5, Inc. shall be canceled, and amended Certificate of Public Convenience and Necessity No. C-58a shall be granted to Virginia RSA No. 4, Inc., authorizing it to provide cellular mobile radio communications service in Rural Service Area No. 5 - Bath;

(3) That the Company shall forthwith rename the tariffs for RSA No. 5 now on file with the Division of Communications to reflect Virginia RSA No. 4, Inc.'s name; and

(4) That there being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC940026
DECEMBER 7, 1994

APPLICATION OF
BELL ATLANTIC -VIRGINIA, INC.

To implement a local calling plan in the Cape Charles exchange

FINAL ORDER

On October 12, 1993, Bell Atlantic-Virginia, Inc. ("BA-VA") (formerly the Chesapeake and Potomac Telephone Company of Virginia) filed an application to expand the local calling area of various exchanges throughout the state. By Order of June 24, 1994, this matter was severed from the rest of the exchanges being considered in the Norfolk LATA. A Hearing Examiner was assigned to conduct hearings in the vicinity of the Cape Charles exchange to receive public comment about whether the proposed expansion of local services was in the public interest.

The Examiner conducted hearings at 2:00 p.m. and 7:00 p.m., on October 13, 1994 at the Cape Charles Town Council Chamber, Town Hall, Mason & Plumb Streets, Cape Charles, Virginia. The Examiner filed a report on November 16, 1994 recommending approval of BA-VA's application. Copies of the Examiner's Report were mailed to participants and they were given until December 1, 1994 to file any comments. That date has passed and no comments have been received.

After considering the Examiner's Report and the lack of opposition, the Commission is of the opinion the findings of the report should be adopted. Hence, the Commission finds that BA-VA's application to expand the local calling area of its Cape Charles exchange is in the public interest and should be adopted.

We are concerned that the magnitude of the increases to flat rate services might harm those who do not have equivalent savings in avoided long distance charges. Options such as message or measured rate service might be more economical for certain customers. Therefore, we direct BA-VA to work with the Division of Communications to develop a direct mail notice to Cape Charles customers explaining how these services might save them money. In order to allow customers an opportunity to determine which billing option is most suitable, the notice shall state that BA-VA will waive any charges for changing classes of service for the first 90 days after the expanded local calling is implemented for Cape Charles. Accordingly,

IT IS THEREFORE ORDERED:

(1) That BA-VA's proposal to expand the local calling area of its Cape Charles exchange is hereby approved and shall be implemented as quickly as BA-VA may do so;

(2) That BA-VA furnish a direct mail notice to its Cape Charles customers and waive any charges for changing classes of service as directed above; and

(3) 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. PUC940027
AUGUST 25, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement a local calling plan in the Hampton, Newport News, Peninsula, and Poquoson exchanges

FINAL ORDER

On October 12, 1993, Bell Atlantic-Virginia, Inc. ("BA-VA") (formerly the Chesapeake and Potomac Telephone Company of Virginia) filed an application to expand the local calling area of various exchanges throughout the state. By Order of June 24, 1994, this matter was severed from the rest of the exchanges being considered in the Norfolk LATA and assigned to a Hearing Examiner to conduct hearings in the vicinity of the four (4) affected exchanges to receive public comments about whether the proposed expansion of local services is in the public interest.

The Examiner conducted hearings at 2 p.m. and 7 p.m., August 1, 1994, at the Thomas Nelson Community College in Hampton, Virginia. The Examiner filed a report August 4, 1994, recommending approval of BA-VA's application. Copies of the Examiner's Report were mailed to participants and they were given until June 19, 1994, to file any comments. That date has passed and no comments have been received.

After considering the Examiner's Report and the lack of opposition, the Commission is of the opinion that the findings of the Report should be adopted. Hence, the Commission finds that BA-VA's application to expand the local calling areas of its Hampton, Newport News, Poquoson, and Peninsula exchanges is in the public interest and should be adopted. Accordingly,

IT IS THEREFORE ORDERED:

(1) That BA-VA's proposal to expand the local calling areas of its Hampton, Newport News, Poquoson and Peninsula exchanges is hereby approved and shall be implemented as quickly as BA-VA may do so; 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. PUC940028
DECEMBER 9, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement a local calling plan in the Williamsburg exchange

FINAL ORDER

On October 12, 1993, Bell Atlantic-Virginia, Inc. ("BA-VA") (formerly the Chesapeake and Potomac Telephone Company of Virginia) filed an application to expand the local calling area of various exchanges throughout the state. By Order of June 24, 1994, this matter was severed from the rest of the exchanges being considered in the Norfolk LATA. A Hearing Examiner was assigned to conduct hearings in the vicinity of the Williamsburg exchange to receive public comment about whether the proposed extension of local services was in the public interest.

The Examiner conducted hearings at 1:00 p.m. and 6:00 p.m., on October 17, 1994 in the Board Room of the James City County Government Complex in Williamsburg, Virginia. The Examiner filed a report on November 15, 1994 recommending approval of BA-VA's application. Copies of the Examiner's Report were mailed to participants and they were given until November 30, 1994 to file any comments. That date has passed and no comments have been received. After considering the Examiner's Report and the lack of opposition, the Commission is of the opinion and finds that BA-VA's proposed expansion of the local calling area of its Williamsburg exchange is in the public interest and should be adopted.

The Examiner's Report also addressed the concerns of citizens in the Toano exchange (phone numbers beginning with 566) that they had not been included in the expansion of Williamsburg's local calling to include the Newport News, Hampton, and Poquoson exchanges. The Examiner noted that Toano customers had not received notice about the increase in their local calling rates if they were included in the proposal. The Examiner recommended that BA-VA be directed to evaluate the impact of including Toano (566) in the Williamsburg exchange and to provide proper notice of any such proposal. The Commission intends to address these concerns in a separate docket. Accordingly,

IT IS THEREFORE ORDERED:

(1) That BA-VA's proposal to expand the local calling area of its Williamsburg exchange is hereby approved and shall be implemented as quickly as BA-VA may do so; 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. PUC940029
NOVEMBER 14, 1994

APPLICATION OF
GTE SOUTH, INC. (formerly Contel of Virginia, Inc., d/b/a GTE Virginia)

To implement extended local service from its Gloucester Exchange to its King and Queen Exchange

FINAL ORDER

On July 15, 1994, GTE South, Inc. ("GTE" formerly Contel of Virginia, Inc., d/b/a GTE Virginia) filed an application pursuant to the provisions of Virginia Code § 56-484.2 proposing to notify the Company's Gloucester Exchange subscribers about the increases in monthly rates that would be necessary to extend their local service to include GTE's King and Queen Exchange. By Order of September 14, 1994, the Commission directed GTE to publish notice about the proposed increase. Comments or requests for hearing were due on or before October 26, 1994.

On November 3, 1994, 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 concerning the proposal had been received from the Gloucester Exchange. The Commission has determined that, pursuant to the provisions of § 56-484.2A of the Code of Virginia, no poll was required of the Gloucester Exchange because the proposed residential rate increase would not exceed five percent of the existing monthly residential flat rate in that exchange. The Commission need not convene a hearing unless requested by the lesser of five percent or 150 customers in the Gloucester Exchange, § 56-484.2C of the Code of Virginia. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the proposed extension of local service from GTE's Gloucester Exchange to its King and Queen Exchange may be implemented in a manner suitable to the Company; 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. PUC940030
OCTOBER 28, 1994

APPLICATION OF
VIRGINIA CELLULAR LIMITED PARTNERSHIP

To amend its certificate for a new cell site, expanding its Richmond CGSA

FINAL ORDER

On July 26, 1994, Virginia Cellular Limited Partnership ("Applicant" or "Virginia Cellular") filed a letter with the State Corporation Commission ("Commission") together with a modified service territory map depicting its new cell site near Powhatan, which would have the effect of expanding its Richmond MSA Cellular Geographic Service Area ("CGSA"). In its filing, the Applicant represented that the Federal Communications Commission ("FCC") had approved its application for a major modification to add this cell site.

Wherefore, in consideration of the Applicant's request and the applicable statutes, the Commission is of the opinion and finds that the CGSA granted Virginia Cellular by Certificate of Public Convenience and Necessity No. C-40E should be amended, and that a new Certificate of Public Convenience and Necessity should be issued, referring to the new service territory maps. Accordingly,

IT IS THEREFORE ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUC940030;

(2) That Certificate of Public Convenience and Necessity No. C-40E issued to Virginia Cellular Limited Partnership is hereby canceled and shall be reissued as Certificate No. C-40F. The new certificate shall refer to the new service territory maps filed with this application; and

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

CASE NO. PUC940031
OCTOBER 28, 1994

APPLICATION OF
CONTEL CELLULAR OF RICHMOND, INC.

To amend its certificate for a new cell site, expanding its Roanoke CGSA

FINAL ORDER

On July 26, 1994, Contel Cellular of Richmond, Inc., d/b/a Roanoke MSA Limited Partnership ("Applicant" or "Contel Cellular") filed a letter with the State Corporation Commission ("Commission") together with a modified service territory map depicting its new cell site near Clifton Forge, which would have the effect of expanding its Roanoke MSA Cellular Geographic Service Area ("CGSA"). In its filing, the Applicant represented that the Federal Communications Commission ("FCC") had approved this application for a major modification to add this cell site.

Wherefore, in consideration of the Applicant's request and the applicable statutes, the Commission is of the opinion and finds that the CGSA granted Contel Cellular by Certificate of Public Convenience and Necessity No. C-10 should be amended and that a new Certificate of Public Convenience and Necessity should be issued, referring to the new service territory maps. Accordingly,

IT IS THEREFORE ORDERED:

(1) That this matter should be docketed and assigned Case No. PUC940031;

(2) That certificate of public convenience and necessity No. C-10 issued to Contel Cellular is hereby canceled and shall be reissued as Certificate No. C-10A. The new certificate shall refer to the new service territory maps filed with this application; and

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

CASE NO. PUC940033
OCTOBER 28, 1994

APPLICATION OF
VIRGINIA RSA (5) LIMITED PARTNERSHIP

To amend its certificate for a new cell site, expanding Rural Service Area 5

FINAL ORDER

On August 17, 1994, Virginia RSA (5) Limited Partnership ("Applicant" or "Partnership") filed a letter with the State Corporation Commission ("Commission"), together with a modified service territory map depicting its new cell site near Clifton Forge, which would have the effect of expanding its Virginia 5 - Bath Rural Service Area ("RSA"). In its filing, the Applicant represented that the Federal Communications Commission ("FCC") had approved its application for a major modification to this cell site.

Wherefore, in consideration of the Applicant's request and the applicable statutes, the Commission is of the opinion and finds that the RSA granted the Partnership by Certificate of Public Convenience and Necessity No. C-31 should be amended and a new Certificate of Public Convenience and Necessity should be issued, referring to the new service territory maps. Accordingly,

IT IS THEREFORE ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUC940033;

(2) That the Certificate of Public Convenience and Necessity, No. C-31, issued to Virginia RSA (5) Limited Partnership is hereby canceled and shall be reissued as Certificate No. C-31A. The new certificate shall refer to the new service territory map filed with this application; and

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

CASE NO. PUC940034
OCTOBER 28, 1994

APPLICATION OF
VIRGINIA CELLULAR LIMITED PARTNERSHIP

To amend its certificate for a new cell site, expanding its Norfolk-Virginia Beach-Portsmouth CGSA

FINAL ORDER

On August 17, 1994, Virginia Cellular Limited Partnership ("Applicant" or "Virginia Cellular") filed a letter with the State Corporation Commission ("Commission") together with a modified service territory map depicting its new cell site near Powells Point, which would have the effect of expanding its Norfolk-Virginia Beach-Portsmouth MSA Cellular Geographic Service Area ("CGSA"). In its filing, the Applicant represented that the Federal Communications Commission ("FCC") had approved its application for a major modification to add the cell site.

Wherefore, in consideration of the Applicants request and the applicable statutes, the Commission is of the opinion and finds that the CGSA granted Virginia Cellular by Certificate of Public Convenience and Necessity No. C-38, should be amended, and that a new Certificate of Public Convenience and Necessity should be issued, referring to the new service territory maps. Accordingly,

IT IS THEREFORE ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUC940034;

(2) That Certificate of Public Convenience and Necessity No. C-38 issued to Virginia Cellular Limited Partnership is hereby canceled and shall be reissued as Certificate No. C-38A. The new certificate shall refer to the new service territory maps filed with this application; and

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

CASE NO. PUC940036
OCTOBER 5, 1994

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

To withdraw AT&T 800 Plan E

ORDER GRANTING PETITION TO WITHDRAW

On September 1, 1994, AT&T Communications of Virginia, Inc. ("AT&T"), filed its petition seeking authority to withdraw its service known as "AT&T Plan E" effective on or before October 1, 1994. AT&T 800 Plan E was introduced September 29, 1991. The intrastate service is an add-on to interstate AT&T 800 Plan E. There are currently no customers subscribing to intrastate AT&T 800 Plan E.

Low customer demand can be attributed to other inbound calling options offered by AT&T which provide better price performance and greater calling efficiencies, allowing customers to combine outward and inward calling features.

Because there are currently no subscribers and because other 800 service plans are more attractive, the Commission is of the opinion that AT&T's petition should be granted.

Accordingly,

IT IS THEREFORE ORDERED:

(1) That AT&T Communications of Virginia, Inc. may withdraw its offering of AT&T 800 Plan E; and

(2) That there being nothing further to come before the Commission, this matter is dismissed from the docket and shall be placed in the file for ended causes.

CASE NO. PUC940037
DECEMBER 15, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from the Roanoke Exchange to Roanoke and Botetourt Telephone Company's Fincastle Exchange

FINAL ORDER

On September 1, 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 Roanoke subscribers about the increases in monthly rates that would be necessary to extend their local service to include the Fincastle exchange of the Roanoke and Botetourt Telephone Company ("Roanoke and Botetourt"). 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 5, 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 Roanoke 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 Roanoke exchange because the proposed residential rate increase would not exceed 5% of the existing monthly residential flat rate in that exchange. The Commission need not convene a hearing unless requested by the lesser of 5% or 150 customers in the Roanoke 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 Roanoke exchange to the Fincastle exchange of the Roanoke and Botetourt Telephone Company 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. PUC940039
DECEMBER 29, 1994

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For revenue neutral rate changes pursuant to Paragraph 17 of the Modified Plan for Alternative Regulation of Virginia Local Exchange Telephone Companies

FINAL ORDER

On September 30, 1994, Bell Atlantic-Virginia, Inc. ("BA-VA", formerly the Chesapeake and Potomac Telephone Company of Virginia) filed an application seeking Commission approval of revenue neutral tariff modifications pursuant to the terms of Paragraph 17 of the Commission's Modified Plan for Alternative Regulation of Virginia Local Exchange Telephone Companies ("Modified Plan"). The application states that BA-VA would eliminate charges for a residential customer to change his or her class of service, for a residential customer to change directory listings, and for the recurring charge for residential Preferred Telephone Number Service ("PTNS") together with the related optional one time charge for PTNS. Offsetting the revenue loss from those eliminated charges, BA-VA proposes to increase from $0.20 to $0.75 per call, the charge for Operator Busy Line Verification, and to increase from $0.60 to $1.55 per call, the charge for Operator Verification with Interrupt, to more closely align these rates with the costs of providing these services. BA-VA will continue to impose no charge if trouble is found on the line or if the request is related to an emergency.

On November 9, 1994, the Commission entered its Order Prescribing Publication directing BA-VA to publish newspaper notice concerning the proposed changes. BA-VA filed the required proof of its public notice on December 16, 1994, and on December 21, 1994, the Commission Staff filed its report concerning the proposal. The deadline for customer comments or requests for hearing was December 18, 1994. The Staff report states that no comments or requests for hearing have been received.

The Staff report summarizes this revenue neutral proposal and states that the Operator Busy Line Verification and Operator Verification with Interrupt services, which are being increased, will still be priced below the cost of furnishing them as shown by BA-VA's cost studies. 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 as proposed, effective January 1, 1995; and

(2) That there be 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. PUC940040
NOVEMBER 21, 1994

APPLICATION OF
SOUTHWESTERN BELL MOBILE SYSTEMS INC.
and
SUBURBAN CELLULAR, INC.

For the reissuance of certificates of public convenience and necessity

FINAL ORDER

On October 19, 1994, Southwestern Bell Mobile Systems, Inc. ("SBMS") and Suburban Cellular, Inc., ("Suburban") filed an application seeking the transfer of their certificates of public convenience and necessity to a newly created limited partnership, Washington/Baltimore Cellular Limited Partnership ("WBCLP").

Currently, Suburban is a wholly owned subsidiary of SBMS and, in turn, SBMS is a wholly owned subsidiary of Southwestern Bell Corporation, d/b/a/ SBC Communications, Inc. ("SBC"). SBMS is currently providing cellular service, doing business as Cellular One - Washington/Baltimore in the portions of Northern Virginia in the Washington D.C. MSA, in Virginia RSA#10, and in Virginia RSA#12. SMBS's subsidiary, Suburban is providing cellular service in Virginia RSA#11. The operations are furnished pursuant to cellular certificates of convenience and necessity nos. C-23, C-34, C-35, and C-27, respectively.

Pursuant to a recent agreement between SBC and a French company, Compagnie Generale Des Eaux ("CGE"), a Delaware subsidiary of CGE will make a 12.85% equity investment in SBMS's cellular operations in the Washington, D.C., Virginia, West Virginia and Maryland area. This investment will be accomplished by the formation of the Virginia limited partnership, WBCLP in which the CGE subsidiary will have a total equity investment of 12.85% and SBMS will have the remaining 87.15% equity investment.

SBMS and Suburban filed the proper applications with the Federal Communications Commission ("FCC") to transfer their licenses to WBCLP. The Commission has been notified that the FCC has approved those license transfers. Pursuant to § 56-508.11 of the Code of Virginia, the Commission is of the opinion that the certificates heretofore held by SBMS and Suburban should be canceled and reissued in the name of WBCLP. Accordingly,

IT IS THEREFORE ORDERED:

(1) That this matter is docketed and assigned Case No. PUC940040;

(2) That Certificates of Public Convenience and Necessity Nos. C-23, C-34, C-35, and C-27, previously held by Southwestern Bell Mobile Systems, Inc. and by Suburban Cellular, Inc., respectively, shall be canceled and reissued as Certificate Nos. C-62, C-63, C-64, and C-65, in the name of the new limited partnership, Washington/Baltimore Cellular Limited Partnership; and

(3) That there being nothing further to come before the Commission, this Case is removed from the docket and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC940048
DECEMBER 20, 1994

APPLICATION OF
GTE SOUTH, INC.

To implement extended local service between its Capron and Courtland exchanges

FINAL ORDER

On July 14, 1994, GTE South, Inc. (formerly Contel of Virginia, Inc., d/b/a GTE Virginia, Inc., hereafter "GTE") notified the Commission that the poll of its customers in the Capron exchange concerning extended local service to the Courtland exchange had passed. Customer ballots explained that toll charges to Courtland would be eliminated in return for increasing the monthly flat rate by $2.21 for residential customers and by $6.15 for business customers. Six hundred eighty-five ballots were mailed to customers and 394 ballots were returned to the Company. Of the ballots returned, 323 (82%) voted in favor of the extended local service and 71 (18%) voted against it.

Pursuant to the provisions of § 56-484.2 of the Code of Virginia, a similar poll was conducted in the Courtland exchange to determine if the customers there also favored extended local service to the Capron exchange. Customer ballots explained that toll charges to Capron would be eliminated in return for increasing the monthly flat rate by $1.18 for residential customers and by $2.82 for business customers. On November 21, 1994, GTE notified the Commission that this poll had passed. One thousand three hundred twenty-one ballots were mailed to Courtland customers and 581 ballots were returned. Of the ballots returned, 367 (63%) voted in favor of extended local service to Capron and 214 (37%) voted against it.

Pursuant to the provisions of § 56-484.2.B of the Code of Virginia, the Commission has determined that a majority of the subscribers voting are in favor of the proposed extension of local service, that the proposal is in the public interest, and that the extension should be implemented. Because the proposed

extension crosses the boundary between the Richmond and the Norfolk LATAs, GTE must procure a waiver to its Consent Decree of January 11, 1985, in Case No. 83-1298. The Company should seek a waiver forthwith. Accordingly,

IT IS THEREFORE ORDERED:

(1) That GTE's proposed extension of local service between its Capron and Courtland exchanges is supported by a majority of subscribers voting, is in the public interest, and should be implemented as quickly as possible following GTE's procuring an appropriate waiver of the prohibitions in its Consent Decree; and

(2) That there being nothing further to come before the Commission, this docket is closed and the papers file herein shall be placed in the file for ended causes.

DIVISION OF ENERGY REGULATION

CASE NO. PUE880091
DECEMBER 19, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval to implement residential experimental rate

ORDER EXTENDING TIME TO COMPLETE RATE EXPERIMENT

On October 3, 1988, Appalachian Power Company ("APCO" or "the Company") filed its application, together with supporting testimony and proposed tariffs, to conduct a residential rate experiment for approximately one year as part of its overall program to promote energy efficiency and conservation. The application was subsequently modified on November 30, 1988, and on February 2, 1989.

The Company sought approval under Virginia Code § 56-234 of the experimental variable spot price ("VSP") rate for use with the TranstexT Advanced Energy Management ("TranstexT") system in a maximum of 300 residential homes of customers located in the Roanoke area. TranstexT is an energy management system which provides consumers with facilities which automatically control electric energy consumption. The equipment programs vary comfort levels for heating and cooling, and water heating at different times of the day.

On February 27, 1989, the Commission approved the rate schedule on an experimental basis which allowed admission to the rate schedule until April 1, 1990, and which terminated the rate schedule on April 1, 1991. The Commission further required the Company to file semi-annual reports with the Commission's Division of Energy Regulation.

On February 16, 1990, the Commission, by order, extended admission to the rate schedule until April 1, 1991, and extended the rate schedule until April 1, 1992. The Commission further required the Company to file semi-annual reports with the Commission's Division of Energy Regulation.

On January 3, 1992, December 23, 1992, and December 16, 1993, the Commission, by separate orders extended the rate schedule and admission to the rate schedule until January 1, 1993, December 31, 1993 and December 31, 1994, respectively. The Company was required to continue filing semi-annual reports with the Commission's Division of Energy Regulation.

On December 1, 1994, APCO filed a motion requesting permission to extend the date on which the experimental tariff will expire to December 31, 1995. APCO states that approximately 175 of its customers have participated in the rate experiment to date, and that similar rate experiments have been conducted in the service territories of two of the Company's affiliates on the American Electric Power Company, Inc. System ("AEP").

APCO acknowledges that last year when the Company asked the Commission to extend the program through December 31, 1994, the Company stated that it expected to make a recommendation regarding implementation of the tariff on a permanent basis in the near future. APCO states that this representation was based on the best information then available to the Company regarding the development and testing of the enhanced TranstexT hardware required for broad commercial use. The proposed enhancement includes improved communication capabilities through power line carriers to the participating customer's home and broadcast "radio signal" communication to reach a large population during critical load and pricing periods. The Company further states that the development and testing process for the enhanced equipment has taken longer than anticipated but is now expected to be completed in 1995. Pending the completion of this process and the development of a recommendation for a permanent tariff, APCO requests permission to extend the availability of the experimental RS-VSP rates through December 31, 1995.

NOW THE COMMISSION, having considered the motion, finds that good cause exits to grant APCO's request for extension. The Commission, therefore, finds that the expiration date for the experimental rate and for customer admission to the experimental rate should be extended to December 31, 1995. The Commission also find that APCO shall continue to file semi-annually reports on its experience with the experimental rate with the Commission's Division of Energy Regulation to include, but not be limited to, the revenue impact of the rate schedule election upon the Company. Accordingly,

IT IS ORDERED:

(1) That the expiration date of APCO's experimental rate shall be extended to December 31, 1995;

(2) That the expiration date for customer admission to the experimental rate shall be extended to December 31, 1995, up to an aggregate of 300 customers;

(3) That APCO shall continue to file semi-annual reports on its experimental rate with the Commission's Division of Energy Regulation to include, but not be limited, the revenue impact of the rate schedule upon the Company; and

(4) That the case remain open until further disposition by the Commission.

CASE NO. PUE910050
DECEMBER 20, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

To amend its Certificates of Public Convenience and Necessity authorizing operation of transmission lines and facilities in the Counties of Giles, Craig, Roanoke, and Botetourt: Wyoming-Cloverdale 765 kV transmission line and Cloverdale 500 kV Bus Extension

ORDER DENYING MOTION FOR RECONSIDERATION

The Commission, by Order dated December 6, 1994, denied the Motion for Interlocutory Order as to Need filed by Appalachian Power Company ("Appalachian" or "Company"). Appalachian then filed, on December 14, 1994, its Motion for Reconsideration of Order Denying Motion for Interlocutory Order as to Need ("Reconsideration Motion").

NOW THE COMMISSION having considered the Reconsideration Motion is of the opinion and finds that it should be denied. Although Appalachian is understandably anxious for the Commission to render its decision in this matter, the fact remains that it has not filed an application in West Virginia. Further, the Forest Service, in a letter to the Commission dated December 12, 1994, and referenced by Appalachian in the Reconsideration Motion, now indicates that it will not decide upon a new publication date for the draft EIS until sometime in January, 1995. Further, when the draft EIS does appear, only then does the Forest Service "expect the two State Commissions to move forward with their evaluation processes to address need and routing before we [i.e., the Forest Service] would publish our Final EIS."

The Commission intends to, and will, decide all the matters pending before it in this application in an orderly fashion. The Commission reiterates that Appalachian has not demonstrated any compelling reason to separate the finding as to the need for this project from a finding as to the appropriate route for this project, if the project is determined to be needed. Further, the uncertainties cited above make it clear that the Commission's orderly deliberations will not delay any facility the construction of which the Commission finds necessary.

CASE NO. PUE920039
JANUARY 10, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PO RIVER WATER & SEWER COMPANY

FINAL ORDER

Pursuant to the Small Water or Sewer Public Utility Act, Va. Code § 56-265.13:1 et seq., Po River Water and Sewer Company ("Po River" or "the Company") notified its customers and the State Corporation Commission ("Commission") of its intent to increase its rates effective August 1, 1992. Po River provides water and sewage service to customers of the Indian Acres Club of Thornburg ("IACT") located in Spotsylvania County, Virginia. IACT is the property owners association for Indian Acres Campground; all lot owners are required to be members of IACT. Po River initially proposed to increase its annual revenues by $154,000 based on 3,500 customers. Subsequently, Po River revised the number of customers to 3,238, resulting in an increase in annual revenues of $142,472. Po River's proposed rate increase is based on the test period ending June 30, 1992, the Company's current and proposed rates are as follows:

Current	Proposed
$96.00 annually	$140.00 annually
$24.00 quarterly	$35.00 quarterly

Due to the magnitude of the proposed increase and complications with the Company's notice procedures, the Commission Staff recommended a hearing on its own motion. By order dated June 5, 1992, the Commission approved the Staff's motion and set this matter for hearing on September 15, 1992, before a Hearing Examiner. On September 1, 1992, the Hearing Examiner granted Po River's motion, continuing the hearing to December 17, 1992. By Hearing Examiner's Ruling dated November 6, 1992, IACT was allowed to file a protest out of time and the procedural schedule was revised with the public hearing to commence on January 14, 1993. On motion of Commission Staff, the hearing on this matter was further continued to February 25, 1993. Public witnesses were heard on September 15 and December 17, 1992, and again on February 25, 1993.

On the appointed day, Howard P. Anderson, Jr., Hearing Examiner, heard the case. Counsel appearing were Donald G. Owens, Esquire, for the Company; Kenworth H. Lion, Jr., Esquire, for IACT; and Judith Williams Jagdmann, Esquire, for the Commission's Staff. A total of 24 public witnesses testified in this matter. Many of the public witnesses objected to Po River's increase in rates. The public witnesses considered it unfair that they were charged for water they seldom used and questioned the Company's management and its control of costs.

At the time of the hearing, several issues remained between the Company, IACT, and Staff. Those issues related to the appropriateness of any rate increase, the method for calculating an acquisition adjustment, the appropriate number of customers for rate making purposes, the appropriate level of affiliate expenses, and the treatment of well fracturing expenses.

IACT testified that no increase in rates was justified, as there has been no improvement in service and negligible investment in utility plant. In the alternative, IACT took positions on the issues remaining in controversy.

Commission Staff testified that the Company was entitled to increase its rates; however, Staff disagreed with Company on the adjustments in issue. Po River requests an acquisition adjustment in the amount of $1,974,958.42. This amount is based on the purchase price for the utility's stock plus the then current debt balances secured by the three deeds of trust on the utilities property. Using the stock or equity methodology recognized by the Commission in Application of Virginia Suburban Water Company, Case No. PUE890082, 1991 S.C.C. Ann. Rpt. 267, Staff recommended that the Commission reduce the amount of the acquisition adjustment to $500,000, or the purchase price of the Company's stock. IACT, on the other hand, recommended that no acquisition adjustment be recognized as the investment was not made prudently for the benefit of the customers and the utility.

Commission Staff also recommended several adjustments to the test period affiliate expenses Po River paid to Carlyle & Company ("Carlyle"), for management of the Company. Po River accepted all of Staff's adjustments with the exception of Staff's disallowance of approximately $9,500 in the form of an allowance for automobile and mobile home payments paid to Carlyle's national engineering consultant. IACT argued that Po River did not meet its burden of producing affirmative evidence of the reasonableness of affiliate charges, contending that local management would be less expensive.

Commission Staff also recommended that the number of Po River's customers for ratemaking purposes should be considered to be the dues paying members of IACT, consistent with Po River's last rate case. Po River testified that in spite of aggressive collection actions, the Company can collect on average from almost 1,200 fewer customers than the number of dues paying IACT members. The Company recommended that the number of customers be reduced to those from which the Company can actually collect or in the alternative that IACT be made the sole customer. IACT took the position that the number of customers should not be less than the number of dues paying IACT members and that the Company should attempt to collect on the accounts of non IACT members.

In addition, Commission Staff recommended that the costs associated with fracturing and drilling one of Po River's wells should be capitalized rather than expensed as Po River proposes. IACT took no position on this issue.

At the conclusion of the hearing the Examiner invited the parties and Staff to file post-hearing briefs. Po River, IACT, and Staff filed briefs.

On August 5, 1993, the Hearing Examiner issued his Report. In his Report, the Examiner found that Po River's increase, as modified by Staff's accounting adjustments, was reasonable and should be made permanent. He accepted Staff's accounting adjustments, and rejected Po River's request to make IACT its sole customer. Specifically, he found that:

(1) The use of a test year ending June 30, 1992 is proper;

(2) The cost associated with fracturing and drilling one of Company's wells should be capitalized, as recommended by Staff;

(3) The Company's affiliate expenses as reduced by Staff are reasonable and supported by the evidence;

(4) The Company's customer base should be equal to the number of dues paying members of IACT or 4,162;

(5) An acquisition adjustment in the amount of the purchase price Carlyle paid for Po River or $500,000 is justified;

(6) The Company's test year operating revenues, after all adjustments, were $399,552;

(7) The Company's test year total operating expenses, after all adjustments, were $371,870;

(8) The Company's test year net income, after all adjustments, was negative $61,052;

(9) The Company's current rates produce a return on adjusted end of test period rate base of 3.07%;

(10) The Company's overall adjusted end of test period rate base is $900,382;

(11) The Company requires additional gross annual revenues of $99,888 to earn a return on rate base of 13.83%;

(12) The Company should be required to promptly refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable by the Hearing Examiner;

(13) The proposed changes to the Company's rules and regulations are appropriate and should be implemented; and

(14) The Company should be directed to install meters on the mains serving IACT facilities and maintain appropriate records of IACT consumption. In its next rate case, Company should be directed to submit a rate structure which incorporates IACT as a separate customer class and reflects IACT's water usage.

The Examiner further recommended that the Commission enter an order adopting his Report, granting the Company an increase in gross annual revenues of $99,888, directing the prompt refund of amounts collected under interim rates in excess of the rate increase found reasonable by his Report, and dismissing the proceeding from the Commission's docket of active cases. He invited the parties to the proceeding to file their comments to his Report within fifteen (15) days of the Report's issuance.

On August 20, 1993, IACT filed its exceptions to the Hearing Examiner's Report. In its exceptions, IACT argued that no acquisition adjustment should be allowed, as Carlyle acquired nothing but the stock of Po River. IACT argued that only under unique circumstances has the Commission allowed deviation from the traditional rule limiting acquisition adjustments to situations where a purchaser acquires utility plant and that no such unique circumstances are present in the pending case. IACT further argued that an acquisition adjustment was not warranted as Carlyle's investment was not made prudently for the benefit of the customers and the utility. IACT further argued that the Company's customer base should include an additional 45 members, that the Commission should

reject the proposal to make IACT a separately metered commercial customer for service to its common areas, and that all affiliate costs should be disallowed. With respect to the Company's proposed revisions to its rules and regulations, IACT proposes that only owners of "campstead lots" be treated as customers.

On the same day, the Company filed its exceptions. In its exceptions, Po River argued that the Hearing Examiner erred by limiting the acquisition adjustment to the purchase price paid for the Company's stock and that the Company should be allowed an acquisition adjustment which recognizes the total cost of owning the Company's debt costs. Po River further argued that the Company's affiliate expenses should not be reduced by the allowance for its engineering consultant's automobile and mobile home, as the allowance was part of the consultant's compensation which was not contested by Staff as being unreasonable. In addition, Po River stated that the costs associated with fracturing and drilling one of its wells should be expensed instead of capitalized, as the fracturing did not increase the wells output to a meaningful degree. The Company further argued that its customer base should be considered to be the average number of customers paying their bills. Po River noted its agreement with the Examiner's recommendation to establish IACT as a new customer that would be billed for metered service; however, the Company stated that no funds for meters or their installation were either requested or provided in this case for such a project.

NOW, THE COMMISSION, upon consideration of the record, the Hearing Examiner's Report and the exceptions thereto is of the opinion and finds that the Hearing Examiner's recommendations should be adopted with the following modifications on the issues of the Company's acquisition adjustment, allowable affiliate expenses, the treatment of well fracturing costs, and the number of customers for ratemaking purposes.

We agree with the Hearing Examiner that Po River is entitled to an acquisition adjustment which reflects the $500,000 purchase price Carlyle paid for all of the Company's stock. The record establishes that in the instant case the criteria for an acquisition adjustment as articulated in Board of Supervisors v. Vepco, 196 Va. 1102 (1955) has been met. The purchase price was determined through "arm's length" bargaining; the purchase price is supported by the evidence; and the investment was made prudently for the benefit of the customers and the utility. We further agree that the debt on the Company at the time of purchase or assumed by the Company after the purchase date should not be included in our calculation. Furthermore, purchase of utility plant is not necessary for justification of an acquisition adjustment. In both Application of Lake of the Woods Utility Company, Case No. PUE820021, 1983 S.C.C. Ann. Rept. 358 and Application of Virginia Suburban Water Company, Case No. PUE890082, 1991 S.C.C. Ann. Rept. 267 this Commission has recognized that the purchase of 100 percent of the stock of a utility is tantamount to the purchase of a utility's plant for purposes of an acquisition adjustment. Both methods of purchase result in a new owner of the utility. Accordingly, when the criteria for an acquisition adjustment are present, the fact that the current utility owner has purchased 100 percent of the utility's stock as opposed to its plant does not prohibit the recognition of an acquisition adjustment.

We disagree with the Examiner, however, on the method for calculating the adjustment. The Examiner recommended the adoption of Staff's equity method for determining the acquisition adjustment. Under Staff's equity formula the Company's equity position at the time of purchase is subtracted from the purchase price. As Po River was in a negative equity position at the time of Carlyle's purchase, using this formula would result in an adjustment greater than the purchase price of the utility. Staff's position is that no acquisition adjustment should be greater than the purchase price, accordingly, the recommended acquisition adjustment was capped at the purchase price of $500,000.

The Commission recognizes that this same formula was adopted in Application of Virginia Suburban Water Co. In that case, however, the rate base was not allowed to exceed the purchase price of the system plus post-purchase additions. Here that limit is $500,000. Further in the Virginia Suburban 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 "asset purchase" methodology. As such records are available in this matter, the Commission chooses to use the traditional "asset purchase" methodology for determining Po River's acquisition adjustment. Under the "asset purchase" formula the value of Po River's plant less accumulated depreciation and contributions in aid of construction is subtracted from the purchase price for an acquisition adjustment of $61,346.

The Hearing Examiner also found that consistent with Po River's last rate case, the Company's customer base for rate making purposes should be equal to the number of dues paying members of IACT. The Commission finds that this number is unrealistically high. The record shows that the Company has made a substantial effort to collect its water bills and in spite of this effort was able to collect on average from 3,238 customers during the test period. Accordingly, the Commission agrees with Po River that the customer base for the Company should be 3,238 or the average number of customers that paid their bills during the test period.

With respect to affiliate expenses the Examiner adopted Staff's recommendation to disallow the portion of compensation paid in the form of an allowance for an automobile and trailer payments to Carlyle's engineering consultant. There was no argument from Staff that the consultant was paid too much, only that the form of the payment did not benefit Virginia ratepayers. The Commission is of the opinion that under such circumstances the ratepayers need only benefit from the services of the consultant. The record supports such a finding. Accordingly, affiliate expenses for the Company should be increased by $9,523.

The Examiner further found that the costs associated with fracturing and drilling a well should be capitalized, as the life of the well was extended by such work. The Commission however, notes that the well's output was only increased from 3 gallons per minute to 7.5 gallons per minute, far less than the well's original rate of 36 gallons per minute. Furthermore, the record established that due to its continued poor performance the well will be abandoned as soon as the Company can drill two new wells. The Commission, therefore, finds that the costs associated with fracturing and drilling the well should be amortized over 3 years.

With respect to Po River's proposed changes to the Company's rules and regulations, the Hearing Examiner, in his report, recommended a finding that such changes are appropriate and recommended their implementation. A review of the record for this proceeding reveals that the only requested rule and regulation changes, which were part of Po River's initial Notice of Change in Rates, Charges, Rules and Regulations of Service dated April 17, 1992, were the implementation of a $6.00 bad check charge and a 1 1/2 percent late payment fee. By letter dated January 20, 1993, Po River gave notice of further revisions to its rules and regulations with an effective date of March 8, 1993. These changes deleted the requirement of Po River's customers to submit applications for water service and eliminated provisions providing for the discontinuance of service for nonpayment.

Section 7 of the Commission's Rules Implementing Small Water or Sewer Public Utility Act ("Rules") establishes that a hearing on a filed tariff change will be held if the Commission receives a request or petition for hearing "from at least 25 percent of all customers affected by any filed tariff change, or from 250 affected customers, whichever is the lesser, or from the Company itself, or upon the Commission's own motion." During the February 25, 1993, hearing, counsel for Po River requested that this case be held open for any potential hearing on the proposed changes to the Company's rule and regulations dated January 20, 1993; however, no such hearing was required as none of the circumstances requiring a hearing under Section 7 materalized. Accordingly, in accordance with Section 5 of the Rules, the proposed changes to Po Rivers' Rules and Regulations dated January 20, 1993 became effective 45 days after notice

or March 8, 1993. The Commission agrees with the Hearing Examiner that the proposed changes to the Company's rules and regulations, which are part of the Company's April 17, 1992 Notice of Change in Rates and noticed in this proceeding, are appropriate and should be implemented.

In sum, we find:

(1) The use of a test year ending June 30, 1992 is proper;

(2) The cost associated with fracturing and drilling one of Company's wells should be amortized over 3 years;

(3) The Company's affiliate expenses are $114,039;

(4) The Company's customer base should be equal to the 3,238;

(5) An acquisition adjustment in the amount of the purchase price minus net utility plant or $61,346 is justified and should be amortized over a ten year period;

(6) The Company's test year operating revenues, after all adjustments, were $310,848, based on a customer base of 3,238;

(7) The Company's test year total operating expenses, after all adjustments, were $369,842;

(8) The Company's test year net loss, after all adjustments, was $147,728;

(9) The Company's current rates produce a return on adjusted end of test period rate base of negative 12.66%, based on adjusted current rates;

(10) The Company's overall adjusted end of test period rate base is $465,960;

(11) The Company requires additional gross annual revenues of $110,092 to earn a return on rate base of 10.47%;

(12) The Company is required to promptly refund, with interest, all revenues collected under its interim rates in excess of the amount of $130 a year per customer;

(13) The proposed changes to the Company's rules and regulations dated January 20, 1993 became effective as a matter of law on March 8, 1993;

(14) The proposed changes to the Company's rules and regulations dated April 17, 1993, are approved effective August 1, 1992; and

(15) The Company should install meters on the mains serving IACT facilities and maintain appropriate records of IACT consumption. In its next rate case, Company should submit a rate structure which incorporates IACT as a separate customer class and reflects IACT's water usage.

IT IS ORDERED:

(1) That, consistent with the findings referenced herein, Company shall be granted an increase in gross annual revenues of $110,092;

(2) That, on or before March 1, 1994, Po River shall refund, with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning August 1, 1992 to the extent that such revenues exceeded, on an annual basis, the revenues which would have been produced by the rates approved herein;

(3) That the Company shall file with the Staff tariff sheets reflecting the permanent rates and the rule and regulation changes approved herein;

(4) That Po River shall install meters on the mains serving IACT facilities and maintain appropriate records of IACT consumption;

(5) That in its next rate case, Po River shall submit a rate structure which incorporates IACT as a separate customer class and reflects IACT's water usage;

(6) That Po River book the total acquisition adjustment to account 114. The annual entry to reduce the acquisition adjustment should be a debit to account 406 and a credit to account 115. This amount should be written off over ten years from the acquisition date;

(7) That Po River book the unamortized balance of well fracturing expense to account 186 (Miscellaneous Deferred Debits) for the three years from the effective date of the new rates;

(8) That interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates ("Selected Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter;

(9) That the interest required to be paid shall be compounded quarterly;

(10) That the refunds ordered in Paragraph 2 above, may be accomplished by credit to the appropriate customer's account for current customers (each such refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. Po River may offset the credit or refund to the extend no dispute exists regarding the outstanding balances of its current customers, or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be

permitted for the disputed portion. Company may retain refunds owed to former customers when such refund amount is less than $1; however, Po River will prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(11) That on or before April 1, 1994, Company shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, and the personnel-hours, associated salaries and cost for verifying and correcting the refund methodology and developing the computer program; and

(12) That Po River shall bear all costs of the refund directed in this Order.

CASE NO. PUE920039
JANUARY 31, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PO RIVER WATER & SEWER COMPANY

ORDER GRANTING PETITION FOR RECONSIDERATION

On January 26, 1994, the Indian Acres Club of Thornburg, Inc. ("IACT") filed its Petition for Reconsideration of the Commission's Final Order of January 10, 1994. IACT requested review of the issues relating to Po River Water & Sewer Company's acquisition adjustment, customer base and uncollectable accounts, affiliate costs, and interest expense.

On January 28, 1994, Rachael Cowe and Charles Keller, who appeared as public witnesses at the February 25, 1993, hearing of this matter, also filed a Petition for Reconsideration and Rehearing of the Commission's Final Order of January 10, 1994. The public witnesses requested review and rehearing of the issue related to the changes of Po River Water & Sewer Company's Rules and Regulations.

Pursuant to the terms of Commission Rules of Practice and Procedure 8:9, the Commission is of the opinion that IACT's and the public witnesses' Petitions for Reconsideration should be granted and that, pending our consideration of these issues, the effect the Commission's Final Order of January 10, 1994, should be suspended. Accordingly,

IT IS ORDERED:

(1) That IACT's and the public witnesses' petitions for reconsideration are hereby granted;

(2) That the effect of our Final Order of January 10, 1994, is hereby suspended pending our reconsideration; and

(3) That this matter is continued generally.

CASE NO. PUE920039
FEBRUARY 23, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PO RIVER WATER & SEWER COMPANY

ORDER REMANDING PROCEEDING

On January 26, 1994, the Indian Acres Club of Thornburg ("IACT") filed its Petition for Reconsideration of the Commission's Final Order of January 10, 1994. IACT requested review of the issues related to the acquisition adjustment, customer base and uncollectable accounts, affiliate costs, and interest expense of Po River Water & Sewer Company ("Po River" or "the Company").

On January 28, 1994, Rachael Crowe and Charles Keller, who appeared as public witnesses at the February 25, 1993, hearing of this matter, also filed a Petition for Reconsideration and Rehearing of the Commission's Final Order of January 10, 1994. The public witnesses requested review and rehearing of the issue related to the changes of Po River's Rules and Regulations dated January 20, 1993.

By Order dated January 31, 1994, the Commission suspended its Final Order of January 10, 1994, pending further consideration of the issues raised by the petitions.

Now, upon review of the petitions and the record in this matter, the Commission is of the opinion and finds that IACT's request for reconsideration of the issue related to the customer base and uncollectable accounts deserves further consideration. The Final Order stated that the average number of Po River customers paying their bills during the test period ending June 30, 1992, was 3,238. Upon review of the record, this number appears to have been based on the Company's cash collection study of the period November 1, 1991-October 20, 1992, Exhibit PCP-2, p.3. This "customer count" was challenged by IACT based on the Company's revenue statement for the study period, Exhibit PCP-2, Attachment A. Our review of this document raises questions as well, and we cannot

answer them based on the record before us. Simply stated, after removing the impact of the rate increase which became effective August 1, 1992[1] (based on a customer count of 3,238), the average customer would be paying $113 or $17 more than the then-current $96 yearly rate. This indicates that, at a minimum, further inquiry is required before rates may be permanently set.

Accordingly, this matter shall be remanded to the hearing examiner to recommend appropriate rates based on the total revenue requirement established in our Final Order of January 10, 1994, $420,940. All methodologies proffered for setting Po River's rates should include an analysis outlining how such methodology will provide the Company a reasonable opportunity to receive its established revenue requirement. As the hearing in this case occurred in February of 1993, and as the Commission set the Company's revenue requirement based on a test period ending June 30, 1992, it would appear appropriate for the data considered on remand to exclude material for any period after December 31, 1992.

The Commission further finds that the remaining issues raised in the petitions do not warrant reconsideration, as they were adequately addressed in our Final Order. In particular, we note that the changes to Po River's Rules and Regulations dated January 20, 1993, became effective by operation of law. As stated on pages 8-9 of the Final Order:

> By letter dated January 20, 1993, Po River gave notice of further revisions to its rules and regulations with an effective date of March 8, 1993. These changes deleted the requirement of Po River's customers to submit applications for water service and eliminated provisions providing for the discontinuance of service for nonpayment.
>
> Section 7 of the Commission's Rules Implementing Small Water or Sewer Public Utility Act ("Rules") establishes that a hearing on a filed tariff change will be held if the Commission receives a request or petition for hearing 'from at least 25 percent of all customers affected by any filed tariff change, or from 250 affected customers, whichever is the lesser, or from the Company itself, or upon the Commission's own motion.' During the February 25, 1993, hearing, counsel for Po River requested that this case be held open for any potential hearing on the proposed changes to the Company's rule and regulations dated January 20, 1993; however, no such hearing was required as none of the circumstances requiring a hearing under Section 7 materialized. Accordingly, in accordance with Section 5 of the Rules, the proposed changes to Po Rivers' Rules and Regulations dated January 20, 1993 became effective 45 days after notice or March 8, 1993.

As outlined above, the Company gave notice of the January 20, 1993, rule changes and no one requested a hearing on them. Accordingly, the proposed rule changes were not addressed at the January 25, 1993, hearing or any other hearing. It would be improper, therefore, to address this issue for the first time on reconsideration. Accordingly,

IT IS ORDERED:

(1) That this matter is remanded to the Hearing Examiner to conduct a hearing on the issue outlined above; and

(2) That unless otherwise changed by the Hearing Examiner the following procedural schedule shall be followed:

(A) The hearing for this matter shall be held on April 27, 1994, commencing at 10:00 a.m. in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond;

(B) That, on or before March 16, 1994, Po River shall file with the SCC Document Control Center an original and fifteen (15) copies of the prepared testimony it intends to present on the issue identified herein for remand. The Company shall simultaneously send a copy of its prepared testimony to IACT, through its counsel, and to Commission Staff;

(C) That, on or before March 30, 1994, IACT shall file with the SCC Document Control Center an original and fifteen (15) copies of the prepared testimony and exhibits IACT intends to present at the hearing on the issue identified herein for remand and shall simultaneously send a copy to Company, through its counsel, and to Commission Staff;

(D) That, on or before April 13, 1994, Commission Staff shall file an original and fifteen (15) copies of the prepared testimony and exhibits Staff intends to present at the public hearing and shall simultaneously send a copy to Po River and IACT, through their counsel; and

(E) That, on or before April 20, 1994, the Company shall file an original and fifteen (15) copies of all testimony it expects to introduce in rebuttal to all prefiled testimony and exhibits and shall simultaneously send a copy to IACT, through its counsel, and to the Commission Staff.

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[1]By letter dated April 17, 1992, Po River notified its customers and the Commission pursuant to the Small Water or Sewer Public Utility Act of its intent to increase its quarterly rates from $24 to $35 per quarter effective August 1, 1992. By Order dated June 5, 1992, the Commission declared the increase interim and subject to refund for service rendered on and after August 1, 1992.

CASE NO. PUE920039
OCTOBER 11, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PO RIVER WATER & SEWER COMPANY

For a review of a rate increase pursuant to Virginia Code § 56-265.13:6

ORDER

On January 10, 1994, the State Corporation Commission ("Commission") entered its Final Order in this case. In that Order, we fixed the annual rate for Po River Water & Sewer Company ("Po" or "the Company") at $130 per year per customer.

On January 26, 1994, the Indian Acres Club of Thornburg, Inc. ("IACT") filed a Petition for Reconsideration of the Final Order. IACT requested review of issues relating to the Company's acquisition adjustment, customer base and uncollectible accounts, affiliate costs, and interest expense.

On January 28, 1994, Rachael Crowe and Charles Keller, public witnesses at the February 25, 1993 hearing of this matter, also filed a Petition for Reconsideration and Rehearing of the January 10 Final Order. The public witnesses requested review and rehearing of the issues related to changes in Po's Rules and Regulations of Service. On January 31, 1994, we suspended the effect of the January 10, 1994 Final Order while we considered IACT's and the public witnesses' Petitions for Reconsideration.

In our February 23, 1994 Order Remanding Proceeding, we found that IACT's request for reconsideration on the issues related to Po's customer base and uncollectible accounts merited further consideration and remanded the proceeding to a Hearing Examiner to take evidence on these limited issues. We directed that appropriate rates be developed, based on the evidence received on remand, and the total revenue requirement of $420,940 established in our January 10, 1994 Final Order. We also determined that the remaining issues raised in the Petitions for Reconsideration did not warrant reconsideration.

On motion of counsel for Po and with the concurrence of counsel for Staff and IACT, the hearing on these issues was continued to May 19, 1994.

On the appointed day, the matter came for hearing before Howard P. Anderson, Jr., Hearing Examiner. Counsel appearing were Donald G. Owens, Esquire, for the Company; Kenworth E. Lion, Jr., Esquire, for IACT; and Sherry H. Bridewell, Esquire, for the Commission Staff.

At the hearing, Company witness Prassas analyzed the paying customers for four billing quarters ending October 20, 1992, and determined that the average number of customers who paid their bills during that period was 3,318. Exhibit 1.1 to Ex. PP-31. In his rebuttal testimony, witness Prassas again supported 3,318 as the proper level of paying utility customers for Po and, using the IACT dues paying customers of approximately 4,207, supported an uncollectible rate of 21%. Ex. PP-39 at 4, 9.

In the alternative, the Company recommended through the testimony of Burnice C. Dooley that the Commission use 3,482 paying customers as the proper level of paying customers for this Company. Ex. BCD-40. Witness Dooley derived this figure by analyzing the total amount billed for the quarters ending November 1, 1991, February 1, 1992, May 1, 1992, and August 1, 1992, i.e., $578,977. He determined that as of December 31, 1993, $206,378 remained uncollected. By dividing the $206,378 uncollected amount into the $578,977 billed amount, witness Dooley determined that the Company's uncollectible percentage was 35.64%. He applied this percentage to Po's total billed customers, i.e., 5,411, and determined that 1,928 customers did not pay Po. Subtracting these nonpaying customers from the 5,411 accounts billed by the Company resulted in the alternative customer base of 3,482. Ex. BDC-40 at 3.

IACT, on the other hand, asserts that the number of its current dues paying members, i.e., 4,207, for the 1991-1992 fiscal year ended October 31, 1992, continued to be the proper level of customers for Po. IACT maintains that the Company's proposed customer base of 3,318 did not consider late payments which, IACT asserts, averaged $74,234 for 1991, 1992, and 1993. IACT contends that Po had collected prepayments in 1993 and has enjoyed the cost free use of a substantial amount of its members' capital. Ex. RJ-38 at 3-5.

Staff calculated the Company's customer base, using an average of seven 12-month periods, beginning June 30, 1992, and ending December 31, 1992. Ex. AWA-35. Its analysis compared the annual billed amount (based on 5,411 total customers) to the actual collections and amounts not collected for each period. On average, this analysis reflected a 22 percent uncollectible rate and an equivalent billing determinant base of 4,202 customers. By using actual collections received each period, the Staff has taken into consideration all available cash received by the Company. The Staff's analysis also shows that Po's uncollectible rate has continued to increase. Schedule 1 to Ex. AWA-35.

On June 29, 1994, the Hearing Examiner filed a supplement to his Final Report (hereafter referred to as "Supplement"). In the Supplement to his Final Report, the Hearing Examiner appears to accept witness Dooley's uncollectible rate of 35 percent. Applying this uncollectible rate to the Company's booked receivable billing of 5,411, the Hearing Examiner determined that the Company's customer base was 3,507, and that the Company required an annual rate of approximately $120 to realize a total revenue requirement of $420,940. The Examiner recommended that the Company be directed to refund promptly, with interest, all revenues collected under its interim rates in excess of those he recommended that the Commission find to be just and reasonable in the Supplement. The Supplement provided that responsive Comments could be filed no later than fifteen days from the date of the Supplement's entry.

On June 21, 1994, Po, by counsel, filed its Comments wherein, among other things, it asserted that the best estimate of the number of "paying" customers for 1992 was 3,318. It urged the Commission not to ignore the declining trend in the customer base as it considered whether the Company would achieve its revenue requirement for 1993 and 1994.

On the same day, IACT, by counsel, filed its Exceptions to the Supplement. In its Exceptions, IACT asserted that the Examiner's analysis went beyond the limits established by the Commission in its Order Remanding Proceeding. IACT commented that the Examiner based his customer base determination upon incorrect or unreliable calculations by the utility. IACT supported a customer base of 4,207 for Po.

The main issues on remand focus on the proper level of revenues and, in turn, the cash receipts the company realizes before any change in revenue requirement is authorized. To arrive at the proper level of revenues, the Commission must first determine the appropriate level of billing determinants. It is obvious from the record that the initial billing determinants of 3,238 paying customer used to establish rates in this case was inaccurate. This level of determinants did not recognize that some customers pay in arrears as well as in advance, and therefore, the benefit of these revenues was not considered in the Commission's earlier decision. On remand even the Company agreed that 3,238 was not the proper customer level, Ex. PP-31 at 3, and that a higher customer base should be used.

In order to determine a reliable billing determinant number, the Company's accounting system and records must afford management the ability to match billing and payment history. Evidence in this case causes us to believe that the Company is unable to match payments with the applicable billing period and, therefore, the Company records any payment received against the oldest receivable first. The calculation of a reliable uncollectible percentage must give recognition to the receivables that will ultimately be collected. If not, this revenue will not be recognized in the cost of service, and an unreasonable billing rate will result.

By analyzing the level of the Company's actual collections, we are not encouraging the Company to maintain its books on a cash basis. Instead, we seek to incorporate an accurate level of revenues in the cost of service in order that just and reasonable rates may be established. Absent a more reliable billing system than that sponsored by the Company on remand, the Commission must rely on actual billing and collection data.

The evidence before us demonstrates that the dues paying membership of IACT is not a reliable surrogate for the number of actively paying utility customers receiving service from the Company. IACT has presented little affirmative proof that the 4,207 members who paid IACT its dues also paid Po River for utility service. Further, as shown in the Staff's and Company's exhibits, the number of utility customers paying on a regular basis tends to be less than the 4,207 dues-paying IACT members and appears to be declining.

On the other hand, the Company's customer base of 3,318 is predicated on the assumption that 21 percent of the 4,207 dues-paying IACT customers will not pay their bills. Company's analysis ignores that its books reflect billing to 5,411 lots, Ex. PP-32, and that its own analysis of collections for the period ending October 20, 1992, indicates that the Company consistently rendered bills to more than 5,000 customers and collected more than $400,000. See Ex. 1.1 to Ex. PP-31. To use a lower customer base as recommended by the Company artificially understates the Company's revenues.

The alternative customer base submitted by the Company of 3,482 was supported by the Company witness Dooley. His analysis compared billed amounts for the period November 1, 1991, and ending August 1, 1992, to receipts applicable to that period through December 31, 1993. Ex. BCD-40. Mr. Dooley supported an uncollectible percentage of 35.64 percent, a billing determinant base of 3,482 customers and an annual billing rate of $120.89. Mr. Dooley's analysis is flawed because it assumes no collections applicable to the period analyzed will occur after December 31, 1993. It is obvious from the record that payments can occur which are applicable to the period being analyzed well into the future. The calculation of a reasonable uncollectible rate, and ultimately, a billing determinant base must take into consideration the realization of all possible receipts.

In his Supplement, the Hearing Examiner has included the effect of a 35 percent uncollectible rate in his analysis and derived a $120 annual rate based on that uncollectible percentage. As noted above, the calculation of the 35 percent rate fails to recognize that collections relevant to the test year may occur in succeeding periods.

Staff analyzed the bills rendered and collected over seven 12-month periods. Staff's analysis indicates that the Company's uncollectible percentage ranged from 18.29 percent to 27.72 percent. This analysis provides a more thorough study of the Company's uncollectible history. Based upon this analysis, it is evident that the Company's uncollectible rate has trended upward. We find the Staff's analysis to be the most reliable and appropriate to establish the billing determinants to set rates in this case. Based on our review of this analysis, we further find use of a 26 percent uncollectible rate based on 5,411 billed customers as shown on the Company's books to be proper to establish rates in this case. Use of this uncollectible rate yields approximately 4,004 billing determinants and results in an annual rate of $105 per customer.

Accordingly, IT IS ORDERED:

(1) That, on or before October 28, 1994, the Company shall file with the Staff tariff sheets reflecting the permanent annual rate authorized herein;

(2) That, on or before December 20, 1994, Po shall refund, with interest as directed below, all revenues collected from the application of the rates which were effective for service beginning August 1, 1992, to the extent that such revenues exceeded, on an annual basis, the revenues which would have been produced by the rates approved herein;

(3) That interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates ("Selected Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter;

(4) That the interest required to be paid shall be compounded quarterly;

(5) That the refund ordered in paragraph 2 above may be accomplished by credit to the appropriate customer's account for current customers (each such refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. Po may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers, or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted from the disputed portion. The Company may retain funds owed to former customers when such refund amount is less than $1; however, Po shall prepare and maintain a list detailing former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(6) That on or before January 27, 1995, the Company 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 cost of the refund and accounts charged. Such itemization of costs shall include inter alia, computer costs, and the personnel hours, associated salaries, and cost for verifying and correcting the refund methodology and developing the computer program;

(7) That the Company shall bear all costs of the refund directed in this Order; and

(8) That there being nothing further to be done herein, this matter is dismissed.

CASE NO. PUE920039
OCTOBER 31, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PO RIVER WATER & SEWER COMPANY

For a review of a rate increase pursuant to Virginia Code § 56-265.13:6

ORDER DENYING IN PART AND GRANTING IN PART A PETITION FOR RECONSIDERATION

On October 11, 1994, the State Corporation Commission entered an Order addressing the issues of the appropriate uncollectible percentage and billing determinants for Po River Water & Sewer Company ("Po" or "the Company"). Specifically, we found that the Company's uncollectible percent had trended upward. We also found, based on the Company's billed accounts of 5,411, that Po had an uncollectible percentage of approximately 26%. Applying 26% to the 5,411 billed accounts, we determined that the appropriate billing determinants for the Company were 4,004. Using 4,004 billing determinants and total revenues of $420,940, we determined the appropriate annual rate for this utility to be $105 per customer.

On October 26, 1994, Po petitioned for reconsideration of our October 11 Order. In its Petition for Reconsideration ("Petition"), the Company asserts that the October 11 Order will require the Company to make a "massive and immediate refund" which will adversely affect its ability to operate. Petition at 1. It further maintains that the rates established in the October 11 Order are based upon an inappropriate and flawed "cash" collection analysis that has no relation to the number of utility customers who pay their bills. Petition at 1-2.

Now upon consideration of the foregoing, we are of the opinion and find that reconsideration of our October 11 Order should be granted in part and denied in part. We agree that the time in which Po should complete its refund should be lengthened. Accordingly, we will revise Ordering Paragraph (2) of the October 11, 1994 Order to require the Company to complete its refund by October 16, 1996. We will likewise extend the date by which the Company must file the document verifying its refunds, required by Ordering Paragraph (6) of the October 11 Order. The remainder of the Petition for Reconsideration is denied, as explained below.

Po's Petition focuses upon the period 1992-94 and alleges that the $105 annual rate will not provide it with a reasonable opportunity to recover its revenue requirement. Petition at 3. Po relies upon collection data for the period 1992-1994. Its analysis is flawed because the Company's Petition includes collection periods and estimated data which were not in evidence and subject to cross-examination in this proceeding and considers data for periods extending far beyond the test period used to set rates in this proceeding. Specifically, the actual collection data for June 30, 1994, and for the period July 1 through October 15, 1994, as well as the estimated cash collections for the period October 16 through December 31, 1994 were not a part of the record in this case. If the Company believes that its collections and revenues have declined since the test period used in this case, its remedy is to file a rate application with current financial and operating data which may be audited and subject to cross-examination to support its revenue needs for the test period selected.

Po also suggests that the use of a "'cash' collection method violates the Small Water or Sewer Public Utility Act rules that require small water and sewer utilities to keep their records on an 'accrual' basis, not a 'cash' basis, and to calculate rate increases based upon financial results reported on 'accrual' basis accounting." Petition at 8. Section 1 of the Rules Implementing the Small Water or Sewer Public Utility Act provides that "[c]ompanies shall maintain their books and records in accordance with the Uniform System of Accounts for Class C companies on an accrual basis." The remaining Rules implementing the Small Water or Sewer Public Utility Act clearly contemplate adjustments to a utility's booked amounts. Such adjustments may or may not strictly adhere to accrual accounting principles. For example, small water or sewer utilities generally amortize rate case expenses over a period of time elapsing between cases. Moreover, Section 8 of the Rules Implementing the Small Water or Sewer Public utility Act provides for the elimination or amortization of expenses of a nonrecurring nature. Strict adherence to accrual accounting principles would require recognition of these expenses within a single period.

In sum, Po's Petition raises no persuasive arguments which would require reconsideration of our determinations regarding the Company's uncollectible percentage, billing determinants, or annual rate.

Finally, Attachment I to the Petition indicates a refund amount of $225,225, derived by multiplying $56.25, the difference in the $32.50 quarterly rate at $130 per customer per year and the $26.25 quarter rate at $105 per customer per year, by 4,004 paying customers. The Company must make appropriate refunds to all customers who were billed and paid for service under the interim rates. Some of these customers may have left the system during the period rates were interim and subject to refund. We expect the utility to make refunds to the individual customers who paid their bills during the period rates were interim.

Accordingly, IT IS ORDERED:

(1) That the Company's Petition is granted to the extent it requests an extension of time in which to make refunds;

(2) That, on or before October 16, 1996, Po shall complete the refund, with interest calculated as directed in Ordering Paragraph (3) of the October 11, 1994 Order, of all revenues collected from the application of the interim rates which were effective for service beginning August 1, 1992, to the extent that such revenues exceeded the revenues which would have been produced by the rates approved in the October 11, 1994 Order;

(3) That on or before December 20, 1996, the Company shall file with the Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to the October 11 Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, and the personnel hours, associated salaries and costs for verifying and correcting the refund methodology and developing the computer program; and

(4) That in all other respects the October 26 Petition for Reconsideration is denied and the provisions of the October 11 Order shall remain in effect.

CASE NO. PUE920041
FEBRUARY 3, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a general increase in rates

FINAL ORDER

On May 29, 1992, Virginia Electric and Power Company ("Virginia Power" or the "Company") filed an application for a general increase in rates designed to produce total annual operating revenue of $3,362,002,000 based on a test year ending December 31, 1991. That proposed revenue requirement was an increase in annual operating revenues of $165,864,000 over the level of revenues being collected on an interim basis through the rates in effect at the time the application was filed. At the time of the application, the Company's previous rate case, Case No. PUE910047, was still pending.

The Commission issued its final order in that case on December 29, 1992. The Company had sought an increase of $184 million, however, the Commission approved an increase in additional gross revenues of only $45 million annually effective for service rendered from September 1, 1991 through October 26, 1992. That amount was significantly lower than the interim revenue generated at the time the application in this case was filed; accordingly, the additional revenue necessary to reach the $3.362 billion level sought by this application increased from $165.9 million to $314,633,000.

On June 17, 1992, the Commission suspended the proposed rates through October 26, 1992. On October 13, 1992, Jean Ann Fox filed a pro se motion to dismiss the application alleging that it did not comply with the Commission's rate case rules. That motion was denied by hearing examiner ruling dated October 26, 1992. By further ruling the Examiner allowed interim rates to be placed into effect, under bond and subject to refund with interest, for service rendered on and after October 27, 1992.

On March 8, 1993, a public hearing was convened for the sole purpose of receiving comments from public witnesses and interveners. The hearing was reconvened on March 22, 1993. Due to the unusually large number of parties in this case, the hearing process was divided into three phases with the first phase focused on all issues except the Company's proposed line extension policy, summer/winter differential rate design and a gross receipts tax issue raised by Staff. Thus, Phase I addressed the appropriate aggregate revenue requirement for Virginia Power, allocation of the resulting increase and all but one rate design issue. Counsel appearing in Phase I were Evans B. Brasfield, Richard D. Gary, Kendrick R. Riggs and Pamela Johnson for the Company; Deborah V. Ellenberg and Robert M. Gillespie for the Commission Staff; Edward L. Petrini for the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"); James C. Dimitri and Louis R. Monacell for the Virginia Committee for Fair Utility Rates ("Virginia Committee"); Dennis R. Bates and Kyle Elizabeth Skopic for Fairfax County; third year law students, Thomas M. Browder, III, Lance W. High and Scott A. Shefferman, with supervising attorney Denise W. Bland for the Virginia Citizen Consumer Council ("VCCC"); Frann G. Francis and Vernon E. Inge for the Apartment and Office Building Association of Metropolitan Washington ("AOBA"); Garrett A. Stone and Julie B. Greenisen for Philip Morris; and Richard A. Parrish, Jeffrey M. Gleason, and Oliver A. Pollard, III for the Southern Environmental Law Center ("SELC").

Phase II focused exclusively on the Company's proposed new line extension policy and summer/winter differential changes and was convened on March 30. Counsel appearing in Phase II were Evans B. Brasfield, Richard D. Gary, Kendrick R. Riggs and Pamela Johnson for the Company; Deborah V. Ellenberg and Robert M. Gillespie for the Commission Staff; Richard A. Parrish, Jeffrey M. Gleason and Oliver A. Pollard, III for the SELC; Charles H. Tenser and Donald A. Fickenscher for Virginia Natural Gas, Inc. ("VNG"); Eric M. Page for the Home Builders Association of Virginia ("HBA"); Edward L. Flippen for the Sierra Club; David B. Kearney and Stanley W. Balis for the City of Richmond; and Donald R. Hayes and Karen B. Pancost for Washington Gas Light Company ("WGL").

Phase III was commenced on September 8, 1993 to address Staff's recommendation to disallow a portion of the Company's capacity costs, specifically, a portion resulting from the inclusion of gross receipts tax in the calculation of avoided costs. Counsel appearing in Phase III were Richard D. Gary and Pamela Johnson for the Company; Deborah V. Ellenberg and Judith W. Jagdmann for the Commission Staff; Edward L. Petrini for the Consumer Counsel; Charles H. Tenser, III for the Virginia Hydro Power Association; Edward L. Flippen for Chesapeake Paper Products Company; Mark J. LaFratta and Stephen H. Watts, II for Appomattox Cogeneration Limited Partnership, Hopewell Cogeneration Limited Partnership, Cogentrix Virginia Leasing Corporation and Enron-Richmond Power Corporation; Eric M. Page and Marjorie Philips for Union Camp Corporation; Phillip F. Abraham for Browning-Ferris Gas Services, Inc. and Richmond Electric Generation Facility; and Laurence M. Hamric for Doswell Limited Partnership.

On September 3, 1993, Russell W. Cunningham, Senior Hearing Examiner, issued his Report on Phase I in which he discussed the many issues raised in this portion of the proceeding and his recommendations for resolution. The Examiner found that based on the evidence received in this case:

1. The use of a test year ending December 31, 1991, is proper in this proceeding;

2. The Company's test year operating revenues, after all adjustments, were $3,010,793,000;

3. The Company's test year operating revenue deductions, after all adjustments, were $2,525,713,000;

4. The Company's test year adjusted net operating income was $485,080,000;

5. The Company's current rates produce a return on adjusted rate base of 6.95% and a return on equity of 6.25%;

6. Based on the Company's capital structure as of December 31, 1992, the Company's overall cost of capital is 9.123%;

7. The Company's adjusted test year rate base is $6,972,009,000;

8. The Company's application requesting $314,633,000 is unjust and unreasonable because it will generate a return on rate base greater than 9.123%; and

9. The Company requires $234,796,000 in additional gross annual revenues to earn 9.123% return on rate base.

The Examiner recommended continuing deferred accounting for non-utility capacity costs, incorporating a rate year going level of capacity costs and including a portion of the capacity deferral balance at October 26, 1992. However, he recommended disallowing the carrying costs incurred on that capacity deferral through October 26, 1992. He recommended disallowing a portion of Company's incentive compensation, including the funded accrual of other post-employment benefit ("OPEB") costs and updating rate base beyond the test year. He also addressed numerous other accounting issues. He found 10.5% to 11.5% was a reasonable range for the Company's cost of capital. The Examiner recommended the Commission retain the average and excess cost allocation methodology for Virginia Power and addressed several rate design issues related to the new GS-1 through GS-4 rate classifications. The Examiner recommended that the Commission enter an order adopting his findings and conclusions, authorizing rates to produce the additional revenue requirement and directing the appropriate refund to the customers.

Comments and exceptions to the Hearing Examiner's Report on Phase I were filed on October 1, 1993. Virginia Power took exception to the Hearing Examiner's recommendation to disallow $1.6 million of carrying costs on deferred capacity. It also took exception to the Examiner's recommendation to disallow budget incentives, his decision to retain the capital structure method of calculating interest synchronization, his finding that ratepayers should be refunded $1.1 million in life insurance premium credits, and his recommendations on calculating revenue lag for purposes of determining the allowed cash working capital. The Company recommended 11.25-12.25% as a reasonable range for its cost of capital and argued in support of a flotation adjustment.

The Consumer Counsel also filed exceptions to the Examiner's Phase I Report and took exception to the Examiner's recommendation to continue deferred accounting for capacity costs, treatment of the capacity deferral at October 26, 1992 and calculation of the going level of capacity. He further took issue with the Examiner's recommendations on incentive compensation, OPEB, interest on tax deficiencies, tax depreciation cushion, the calculation of the effective tax rate, determination of the appropriate capital structure, and the recommended return on equity range. The Consumer Counsel recommended 10-11% as a reasonable return on equity. The Virginia Committee took exception to the Examiner's recommendation on the continuation of deferred accounting for capacity costs, recovery of the capacity deferral at October 26, 1992 and use of an updated rate base. The Virginia Committee also commented on revenue requirement allocation and rate design. VCCC excepted to the Examiner's recommendations on a portion of the Company's incentive compensation plan, his return on equity range recommendation (VCCC recommended 10-11%), his recommendations on cost allocation methodology and the increase in the residential customer charge. The AOBA also filed exceptions commenting on the Examiner's recommended distribution of the revenue requirement. Philip Morris took exception to the Examiner's recommendations related to the GS-3 and GS-4 rate structure and designs and the GS-4 transmission discount. Fairfax County took exception to the Examiner's recommendation for an appropriate return on equity range, recommending instead the Commission approve 10-11%.

The Hearing Examiner issued his report on Phase II of this case on October 22, 1993. He recommended the Commission reject the Company's line extension plan. The Examiner also recommended the Commission reject the Company's proposal to increase the differential between the summer and winter rate tail blocks applicable to residential usage. The Company took exception with the Examiner's recommendation to reject both the line extension plan and the proposed increase in the summer/winter differential. All other participants in Phase II, including VNG, the City of Richmond, Sierra Club, WGL, SELC, and HBA, supported the Examiner's recommendations.

The Examiner issued his Report on the final phase of this proceeding on October 27, 1993. Therein the Examiner recommended that the Commission reject the Staff's proposal to disallow a certain portion of capacity costs resulting from the erroneous inclusion of gross receipts tax in the calculation of certain contracted capacity payments. Virginia Power and all Protestants involved in Phase III supported the Examiner's recommendations in comments filed to that report.

NOW, THE COMMISSION, upon consideration of the record, the Examiner's Reports, the exceptions thereto and the applicable statutes, is of the opinion and finds that the findings and recommendations contained in the September 3, 1993 Examiner's Report are, as modified herein, supported by the record. We differ from the Hearing Examiner only on the interest synchronization adjustment, the proper bonus for the Company's generating unit performance and consideration of expanding the performance incentive to include the Company's purchased power efforts. We also differ slightly on the proper allocation of the rate increase approved herein. We find that the recommendations contained in the October 22, 1993 Examiner's Report on Phase II are similarly supported by the record and should be adopted. We also find that a disallowance for the capacity costs attributable to the erroneous inclusion of gross receipts tax in the avoided cost calculation of certain non-utility generation purchased power contracts, as addressed in Phase III, is proper and in the public interest.

Senior Hearing Examiner Cunningham wrote these final reports before his retirement with the same flair and style characteristic of his work during his career as hearing examiner for the State Corporation Commission. Since the Examiner has fully discussed the issues raised in this proceeding, we will limit our discussion here to those issues upon which we reach a different finding than the Examiner and several of his recommendations on which parties take exception and which warrant further comment.

PHASE I

CAPACITY COSTS - DEFERRED ACCOUNTING

As the Hearing Examiner observed, capacity expenses related to purchased power represent the largest component of the proposed increase and account for the greatest spread in the revenue requirement recommendations advanced by the parties. No party in this case has questioned the reasonableness of the Company's purchased power costs; however, Consumer Counsel and the Virginia Committee took issue with the continued use of deferred accounting for those costs. The Virginia Committee seeks a phasing out of deferred accounting. It argues that the initiation of deferred accounting for those capacity costs resulted from unique circumstances in the 1991 case but that there is no permanent need for it in the future. In the Commission's Final Order in Virginia Power's last case, Case No. PUE910047, we concluded that memorandum accounting for purchased power costs was simply not working in the manner we had contemplated. We therefore decided to implement deferred accounting and discontinue the use of an earnings test to determine the rate treatment of account balances. Deferred accounting allows a straight forward true-up of under or overcollections of account balances. With such treatment we can ensure dollar-for-dollar recovery of reasonably incurred capacity costs. Although we agree that any extraordinary ratemaking adjustment should be evaluated in light of changing circumstances, deferred accounting for Virginia Power's purchased costs was only implemented in the last case and we will retain it here in light of the fact that purchased capacity costs continue to grow at a significant rate. For example, system purchased capacity costs increased $185,437,000 from 1991 to 1992 or 69.7% and were projected to increase $139,578,000 from 1992 to 1993 or 30.9%. When the year to year differences decrease to a less significant level we will review again whether to continue this ratemaking treatment.

CAPACITY COSTS - GOING LEVEL

The Hearing Examiner recommended inclusion of a rate year level of capacity costs for all non-utility generation projects expected to be on line during the rate year. The Company provided supplemental testimony at the hearing to reflect February 1993 actual capacity expenses which the Examiner incorporated into his rate year level of costs. The Examiner also supported Staff's recommendation to include an offset for the rate year level of the off-system sales to Old Dominion Electric Cooperative and Santee Cooper which became effective January 1, 1993 and for projected sales growth to the end of the rate year. The Consumer Counsel, however, recommended incorporating a rate year level of the pro forma projects in base rates and deferring the rate year costs and revenues. Although only a pro forma level of capacity costs was allowed in the last case due to limitations imposed on expedited rate cases, we found that the public interest would be better served by the Company recovering prudently incurred capacity costs on a current basis. Application of Virginia Electric and Power Company, Case No. PUE910047, 1992 S.C.C. Ann. Rept. 291.

Except when the rate case rules prohibit use of a rate year level, we continue to believe that, even with deferred accounting, current cost recovery is in the ratepayer's best interest. We adopt the Hearing Examiner's recommendation to reflect a rate year level of capacity costs using February 1993 actual costs offset by off-system sales revenues and rate year sales growth.

CAPACITY DEFERRAL AT OCTOBER 26, 1992

As already noted, the Commission established deferred accounting in Case No. PUE910047. Therein, we directed the Company to implement the account effective January 1, 1990, the beginning of the test year in that case. The new rates in that case were effective September, 1991, and reflected only a pro forma level of capacity costs because that case was an expedited proceeding. The deferral balance at the end of the rate year in that case, October 26, 1992, grew to over $100 million.

Significant controversy arose in this case on how to treat that October 26, 1992 deferred balance. The Consumer Counsel proposed including the deferred balance at the end of the 1991 test year in base rates, approximately $2 million, and leaving the remaining balance at October 26, 1992, in the deferred account and recorded in rate base. As an alternative, he recommended the Company be allowed to amortize the remaining balance over a three-year period, thus mitigating the impact of inclusion of the unrecovered capacity costs. The Virginia Committee also proposed that only the underrecovery of $2 million at the end of the test year be included in rates but recommended the deferred balance at October 26, 1992 be excluded from rate base and considered in a future case.

The Hearing Examiner recommended the Commission accept the Staff proposal to recover $64 million of the approximately $100 million in the current case. Staff projected that under such a proposal the deferral balance would shrink from just over $100 million to approximately $28 million at the end of 1993 and zero out by mid-1994.

Regardless of the level of capacity costs built into base rates, the deferral will capture any over or underrecovery, but we want to guard against a large overcollection of purchased power capacity costs and minimize carrying costs associated with delaying recovery to a future period. We also want to balance the speed of recovery of the deferred costs with rate stability. We agree with the Examiner that Staff's proposal will best avoid an early overrecovery and a multi-year underrecovery with claims for carrying costs.

CARRYING COSTS OF DEFERRED CAPACITY BALANCE

While allowing recovery of the deferred balance, the Examiner disallowed $1.6 million of past carrying costs which the Company incurred from the delay in recovery of those deferred capacity charges through October 26, 1992. The Examiner found these past carrying costs to be non-recurring expenses and disallowed them. Virginia Power asserted that the Company should be allowed to recover carrying costs which it incurred as a result of having the recovery of capacity charges postponed from Case No. PUE910047 to this case. In support of its request, the Company relies on the Commission's order in that case and alleges that it authorizes the carrying costs to be passed on to customers. We agree with the Examiner that carrying costs associated with the deferred balance from January 1, 1990 to October 26, 1992, should be disallowed. Our Order in the last case did not authorize these costs to be passed on to ratepayers. While we contemplated carrying costs would be at issue relative to future balances, we did not authorize the Company to track and defer past costs for recovery in this case. The Company certainly had notice that pro forma limitation of capacity costs and reevaluation of the recovery mechanism was at issue in the last case. It therefore should have addressed recovery of carrying costs resulting from a delay in recovery of its rate year capacity costs there. Recovery of deferred capacity will be allowed on a prospective basis. We will not go back and reimburse the Company for past costs.

INCENTIVE COMPENSATION

The Hearing Examiner allowed all expenses related to the employee wage and bonus program except expenses for the budget incentive plan. The Examiner rejected the Company's proposal to recover the 1991 test year level of costs associated with the budget incentive plan because the plan is not in effect in the pro forma or rate year. The Company admitted that the plan had expired, and it would not be resurrected for at least three years. Nevertheless, it claims that the Commission should allow the full test year expense associated with the budget incentive plan in order to recognize its strategy of developing special incentive plans from time to time. The plan has expired; it is clearly unreasonable to expect the ratepayers to pay for a program which no longer exists.

The Consumer Counsel and VCCC took exception to the Examiner's recommendation to allow the remainder of the Company's bonus expense. The Consumer Counsel recommended a disallowance associated with the increase in bonuses between 1990 and 1991. The VCCC recommended a limitation on the increase. In the Company's prior case we said that "reasonable incentive payments to encourage employee performance goals are worthwhile programs which can stimulate production efficiencies." However, we cautioned Virginia Power "to offer sufficient evidence to justify continuing recovery," and we indicated that we would carefully scrutinize any increase over historic levels of the costs of such programs in future cases. The test year incentive plan expenses in this case were $10.6 million higher than the level allowed in the 1991 case. It is that increase that the Consumer Counsel would disallow. The VCCC would simply limit the level of allowed increases to management bonuses.

The Company offered extensive testimony supporting its incentive program and the increase over historic levels. The plan provides an effective way of promoting continuous effort on a corporate and individual level. It appropriately links pay and performance. Virginia Power did present evidence sufficient to justify continuing to recover these employee expenses in its cost of service and to justify the increase over the historic level.

A third program was also at issue in this case. As part of a cost curtailment program, the Company offered a plan of early retirement and estimated about 185 employees would opt to participate, but instead 320 employees retired under the plan. The retirements were effective September 1, 1992. The Consumer Counsel recommended those costs be disallowed. Consistent with our treatment of the Activity Review and Resource Allocation Severance costs in Application of Virginia Electric and Power Company, Case No. PUE900023, 1991 S.C.C. Ann. Rept. 279 and Case No. PUE890035, 1990 S.C.C. Ann. Rept. 280, we will allow a full year's effect of the salaries saved offset by the expense of the program. The payroll adjustment results in a net savings or reduction in the additional revenue requirement.

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

We also agree with the Examiner's recommendation to allow recovery of other post-employment benefits ("OPEB") costs on an accrual basis in this case. We adopted rules in Case No. PUE920003 which allow the accrual of employee post-employment benefits other than pensions in the manner prescribed by Statement 106 of the Financial Accounting Standards Board ("FASB") and provide for the recovery in rates of those OPEB costs, including the amortization and recovery of the transition obligation. The Consumer Counsel recommended against such recovery referring to a recent pronouncement of the Emerging Issues Task Force of the Financial Accounting Standards Board that allowed the phase-in of all FASB Statement 106 costs. The Consumer Counsel believed that a phase-in of the costs and deferral would permit all parties an opportunity to evaluate further the costs and examine the underlying actuarial assumptions. Our rules allow the Company to recover OPEB costs if fully funded. The data related to this adjustment were available to all parties and subject to analysis and cross examination. The Company has fully funded the amount of costs in rates, and we see no reason to defer recovery to a later date. If the assumptions prove to be less than 100 percent true or accurate, they can be revised each year as actuaries review the future costs and determine the proper level of accruals.

INTEREST SYNCHRONIZATION

One of the few issues on which we differ from the Hearing Examiner in Phase I is interest synchronization. Consistent with previous decisions, the Examiner recommended continuing use of the capital structure method to compute interest expense for calculating federal income taxes for Virginia Power. Staff and the Company recommended a change to a rate base synchronization method in this case. They asserted that the rate base method provides a more accurate match between interest expense allowed in cost of service and the amount used as a tax deduction. We agree that it is time to change from the capital structure method to the rate base method for making the interest synchronization adjustment for Virginia Power. The capital structure method of calculating interest synchronization for Virginia Power was originally adopted because of nuclear plant abandonments which had been excluded from rate base. The Commission determined that the ratepayer should receive the tax benefit associated with the interest expense on the debt used to finance the abandoned projects. We thus began multiplying dollars of debt in the capital structure by the cost of debt to determine the interest expense for tax purposes. The abandonment costs are now almost fully amortized.

Moreover, since we have now updated rate base, we often, as here, have differing dates between rate base and capitalization. We have in the past approved additional adjustments intended to correct for similar mismatches, but moving back to a rate base approach makes the calculation more straight forward. Further, the information needed to make the further adjustments previously approved was not readily available here as certain financial data was available only on a quarterly basis. The difference between the interest expense calculated using the rate base and capital structure method is small and accrues to the benefit of the ratepayer in this case. Accordingly, we find the time has come to change Virginia Power's calculation consistent with our treatment for all other Virginia utilities.

INTEREST ON TAX DEFICIENCIES

We will also allow the Company to recover interest paid on prior period tax expenses in its cost of service because the interest component is related to the prior period taxes. The Consumer Counsel recommended against this allowance. We previously determined that prior period tax expenses should be recoverable for ratemaking because the Company's aggressive tax strategy does benefit ratepayers. Application of Virginia Electric and Power Company, 1988 S.C.C. Ann. Rept. 274. Interest is certainly an expense related to the prior period tax, therefore it too should be recoverable.

TAX DEPRECIATION CUSHION

The Examiner rejected the Consumer Counsel's proposal to exclude $8 million of tax depreciation cushion in the federal income tax expense. The Examiner concluded that no cushion existed since the original entry was never included in the cost of service. We agree and find that the ratepayer has not been harmed. The Company, however, is instructed to exclude tax cushions in future rate cases and annual informational filings.

LIFE INSURANCE PREMIUM CREDITS

The Examiner adopted the Staff's proposal requiring the Company to refund 1990 and 1991 life insurance premium credits received during the pro forma period. Virginia Power agreed that the amount should be refunded but argued that the refund should be amortized over a three-year period. We adopt the Hearing Examiner's finding that the credits should be immediately refunded. Amortization is not necessary. Moreover, such treatment is consistent with our treatment of the early retirement costs discussed above.

PLANT UPDATE

The Virginia Committee took issue with the rate base update to November 30, 1992, used by all other parties and Staff in this case. Our policy on updating rate base should be clear. In Application of Virginia Natural Gas, Inc., 1991 S.C.C. Ann. Rept. 292, 294, we clearly stated that:

> We find the update adjustment to be appropriate in this rate case, irrespective of whether a showing of attrition has been made. Experience with the adjustment from previous cases indicates it yields the most current and therefore most accurate snapshot of rate base given current economic conditions. If an attrition problem exists the updated figures help alleviate it. But even if attrition is not shown, the adjustment is still a reliable method of determining rates based on the most current data.

The methodology used by Staff in this case to update the rate base has been previously adopted by the Commission in numerous proceedings, and it will be accepted here.

CASH WORKING CAPITAL

Only two components of the calculation of Company's cash working capital requirement were in controversy in this case. First, Staff and the Virginia Committee calculated the revenue lag using a daily average for gross accounts receivable rather than the monthly average used by the Company. The Company offered new information providing jurisdictional lag days in rebuttal testimony, but the Examiner found that use of a daily average for gross accounts receivable is reasonable. We will accept his recommendation here. We agree that the Company's jurisdictional study should be audited and reviewed prior to implementation.

The second controverted component of cash working capital was Staff's recommended dividend expense lead adjustment. Staff asserted that common equity dividend payments are necessary as ongoing costs of doing business and hence must be considered part of the working capital. The Examiner properly rejected Staff's proposal. The purpose of the cash working capital allowance is to allow the Company to recover carrying costs associated with funding its daily operations. The payment or timing of a dividend should not affect the cash working capital allowance.

CAPITAL STRUCTURE

The Examiner adopted the Staff's proposal to use an actual December 31, 1992 capital structure, with the cost of Company's variable rate securities and its common equity updated through February, 1993. We agree with the Examiner that the Staff's proposed capital structure and cost of senior capital should be adopted. Although the Consumer Counsel agreed with the Hearing Examiner's recommendation to use a December 31, 1992 capital structure, he argued that the capital structure should include one-half of the rate year refunds ordered in the last case. The Hearing Examiner properly rejected that proposal. As he noted, the temporary use of money does not convert funds into "invested capital." When the Company is authorized to place interim rates in effect, any and all money flowing from those rates is subject to being refunded with interest to the customer. The money is not the Company's money unless and until the Commission authorizes the Company to keep all, part, or none of the funds.

RETURN ON EQUITY

The Company is currently authorized a rate of return on equity in the range of 11.5% to 12.5%. The recommendations of the cost of equity witnesses in this case ranged from 10% to 12.75%. Certainly a reduction in the Company's current 11.5% to 12.5% allowed return on equity is indicated by almost any measure of the cost of equity capital discussed by the financial witnesses. We agree with the Hearing Examiner's recommended range of 10.5% to 11.5% for the Company's cost of equity.

Both Company and Staff witnesses included a flotation adjustment in their cost of equity. In the last case, we declined to adopt an accounting adjustment for recovery of the jurisdictional portion of test year issuance expenses. We approved a range for the cost of equity incorporating our consideration of continuing flotation costs that Dominion Resources, Inc. bears in issuing equity. The Hearing Examiner here incorporated consideration of continuing flotation costs in his recommended range of 10.5% to 11.5%. We find that consideration to be appropriate.

GENERATING UNIT PERFORMANCE

In 1981 the Commission established a generating unit performance improvement program designed to recognize the impact of generating unit performance on fuel expenses. Once the range for the return on equity has been established, the return selected for calculating revenue requirement is a function of generating unit performance. Equity returns at the bottom of the range reflect less than average performance levels while equity returns at or near the top recognize sustained outstanding generating performance. In 1989, the Company's nuclear units suffered an extended outage. Accordingly, the return on equity was lowered to the mid-point of the equity range to calculate the Company's revenue requirement. The Company also was disallowed recovery of a significant portion of the additional costs incurred as a result of the outage. The Company's performance rebounded, and in the 1991 case, the revenue requirement was calculated at a return 25-basis points above the mid-point of the range. The Company's test period performance in this case was described by Staff as exceptional. Staff recommended the equity return be established at or near the top of the approved range. The Hearing Examiner determined that the Company should show a further sustained effort before qualifying for an increase to the top of the range. Therefore, he maintained that the revenue requirement should continue to be set at the three-quarter point of the equity range. As the Hearing Examiner noted, traditionally, the Commission has acted in 25-basis point increments. However, such increments are not mandatory. We agree with Staff's recommendation to establish the equity return near the top of the approved range. The Company's generating performance has been stellar. Accordingly, we will set the equity return at 90% of the approved range, or 11.4%.

PURCHASED POWER INCENTIVE PROGRAM

Staff witness Stephens recommended the Commission consider expanding its generating unit performance program to include the utility's efforts towards capacity acquisition via its purchased power program. Staff noted that purchased power contracts account for as much as 23% of the Company's total capacity resource base and that in the Company's last fuel factor filing net power purchases accounted for approximately 25% of projected in-period energy requirements and 39.8% of projected fuel expenses. The Hearing Examiner rejected Staff's proposal. However, we believe such a proposal warrants further consideration. The Company, Staff and any interested parties are directed to explore this concept and present testimony in Virginia Power's next rate case on whether such a program should be implemented and what standards should be incorporated if such a program is adopted. We will address this proposal further in the next case whether it is an expedited or general case. Moreover, if we decide to implement such a program, it may be applied in setting the return in that same case.

REVENUE REQUIREMENT

Based on our resolution of the issues discussed above and further discussed in the Examiner's reports, Virginia Power's additional revenue requirement is $241,896,000, calculated as follows:

	(000)
Adjusted Operating Income, per Hearing Examiner	$485,080
To reflect the FIT effect of computing interest synch on a rate base method using Staff's rate base, SDL-54, Col. (7)	(33)
To reflect the FIT-interest synch effect (rate base method) of changes to Staff's rate base adopted by the Commission	200
Adjusted Operating Income, per Commission	$485,247
Rate Base, per Hearing Examiner	$6,972,009
To reflect changes in cash working capital due to changes in FIT and ROE	(94)
Rate Base per Commission	$6,971,915
Overall cost of capital at 11.4% ROE	9.191%
Required Adjusted Operating Income	640,789
Adjusted Operating Income per Commission	485,247
Net Requirement	155,542
Revenue Conversion Factor	.640839
Revenue Requirement including Late Payment Revenues	242,716
Less: Late Payment Revenues	820
Revenue Requirement	$241,896

COST ALLOCATION AND REVENUE ALLOCATION

The Hearing Examiner supported the Company's retail class cost of service study continuing the established use of the average and excess method of allocating costs. He noted that it has been the basis of cost of service studies approved in every Virginia Power rate case since the early 1970s. In this case, however, Virginia Power performed four different production demand allocations. The first demand allocator was the average and excess method historically used for Virginia Power, but the Company also provided allocation studies based on a summer/winter peak and average, summer/winter peak, and the average of 12 coincident peaks. We agree that the average and excess method of allocating costs should be used in the cost of service study on which we rely to determine the proper allocation of revenues in this case. However, as we have recently noted, there is no scientifically correct method for allocating costs. Cost of service studies are useful tools which can be used as guides in apportioning a company's revenue requirement.

We have stated that:

> [C]lass cost of service studies do not determine the actual cost of serving any particular class of customers. They are instead mere estimates of class cost of service. Sound ratemaking appropriately recognizes the importance and place of estimates in apportioning revenue.

Application of Virginia Natural Gas, Inc., 1991 S.C.C. Ann. Rept. 297, 298. Also see Application of Commonwealth Gas Services, Inc., Case No. PUE920037, Final Order dated October 15, 1993 and Application of Virginia Natural Gas, Inc., Case No. PUE920031, Final Order dated June 22, 1993. Since some judgment is required in any cost of service study, we will expect the Company to provide more analysis in the next case as outlined below.

It is clear that the residential class is generating a class return below the Company's overall return in all of the studies developed on this record. We therefore agree with the Virginia Committee and the AOBA that some further movement towards parity of class returns is warranted, but we must guard against rate shock to the residential class. We find that, in this case, all classes should be moved towards parity by approximately the same amount based on the average and excess allocation method. We will approve the allocation to the classes as set forth in Attachment A to this Order. Each class, with the exception of churches, is moved approximately 43% closer to parity. The allocation to churches results in a smaller movement for that class but will result in a percentage increase in rates comparable to the residential class.

In the next case the Company should file the results of five different cost of service studies, specifically using the average and excess method now used for Virginia, the 12 coincident peak method currently used at the Federal Energy Regulatory Commission, the summer/winter peaking average method now used in North Carolina, the summer/winter peak method, and the peak responsibility or one coincident peak method. Those studies should also include the new GS rate schedules. So our intention is clear, however, at this time we do not intend to average those five studies; they provide several different perspectives which should be examined.

RESIDENTIAL CUSTOMER CHARGE

The Company proposed to increase the Residential Schedule 1 customer charge from $6.25 to $7.00. The VCCC argued that the charge was not justified. It contended that distribution plant should be classified on a demand not a customer basis. We agree with the Examiner that a minimum distribution system is essential to deliver electricity. VCCC's methodology would not properly reflect a minimum distribution system. The Company's embedded cost analysis would support a charge even higher than $7, hence we find the Company's proposed residential customer charge reasonable.

SECONDARY DISTRIBUTION FACILITIES COST

The Virginia Committee and Philip Morris asserted that secondary distribution costs had been inappropriately allocated to Schedule GS-4 which uses no secondary distribution facilities because those customers take service at primary or transmission voltage levels. The remedy proposed by the Virginia Committee and Philip Morris was to assign $5.5 million of secondary distribution demand costs to Schedules GS-3 or GS-2. We find reasonable the position that those secondary distribution costs should not be assigned to GS-4. However, it is not clear precisely how the costs should be reassigned. In addition, without careful study, it is not clear whether other costs have been assigned to other GS schedules which should have been more properly assigned to the GS-4 class. The allocation among the GS rate classes was done by combining the old Schedules 5 and 6 costs and then allocating those costs to the new Schedules GS-1 through GS-4. The Company testified that it did not have a full year of valid load data on the new rate classes. We simply do not have all the data required to make an accurate allocation among the GS classes in this case. Accordingly, we will not make the adjustment proposed by the Virginia Committee and Philip Morris. The Company should carefully scrutinize all costs assigned to the GS classes when it conducts the requisite cost of service studies in its next case. It should have adequate load data for GS-1 through 4 to support any necessary shifts at that time.

We also note that our decision not to reallocate the secondary distribution costs is conceptually distinct from our acceptance of the Hearing Examiner's recommendation to provide a transmission discount of 2.4% from the separately stated power supply demand charge within Schedule GS-4. In the latter case, costs are moved within the class rather than among classes.

SURPLUS ENERGY RATE

The Virginia Committee recommended the Commission adopt a new surplus energy rate. The Company agreed to study the proposal, meet with Staff and interested parties, and file an experimental tariff within 6 months of the final order in this case. We encourage the Company to work with its customers and our Staff. We will review any such proposed rate and the supporting justification when it is filed.

GS IMPLEMENTATION GUIDELINES

In comments to the Hearing Examiner Report, Virginia Power asked the Commission to approve the procedures set forth in Company witness Evans' rebuttal testimony to allow certain customers receiving service under Schedules 5 or 6 prior to October 27, 1992 to migrate back to those schedules at the conclusion of this case. We agree that such migration should be allowed. Customers who made a decision to migrate from Schedules 5 or 6 to Schedules GS-1 through 4 based upon interim rates should have the option of going back to Schedule 5 or 6 if final rates approved herein show those schedules to be more advantageous. We emphasize, however, that migration back to Schedules 5 and 6 will not be a permanent feature of the Company's rates and we will move forward to phase out Rate Schedules 5 and 6.

Virginia Power originally proposed that the rates for Schedules 5 and 6 be increased by 128.8% and 137.6% respectively, of the overall percentage increase. The Staff recommended that the increase be 137.5% of the overall increase for both schedules. The Company agreed to this increase on rebuttal. However, the Company and Staff disagreed with respect to future increases. The Company proposed that future Rate Schedules 5 and 6 increases be based on 150% of the overall increase. Staff recommended, and we believe, that it is more appropriate to reserve judgment regarding future increases. Any future increases to Rate Schedules 5 and 6 should be based on the specifics of the case while phasing out Rate Schedules 5 and 6 in a reasonable manner.

SCHEDULE 10

The Commission allowed Virginia Power to implement Rate Schedule 10 on an experimental basis in 1989. The Company completed its final evaluation and presented its findings and proposed modifications in this case. Staff witnesses reviewed the proposed Schedule 10 and recommended that it be made permanent and available to up to 200 customers. The Company accepted that recommendation. Staff further recommended that the Company should update its proposed "A" day rate to include current estimates of combustion turbine capacity costs. The Company resisted the update because this record does not support a proper update of all of the costs associated with the rate. The Examiner concurred. He found that all parts of the costs should be reviewed before changing the rate, and we agree. We will accept the changes to Schedule 10 exclusive of the partial update as recommended by the Examiner, but we will not make Rate Schedule 10 permanent until such time as the Company is prepared to offer the rate to any and all interested customers. Schedule 10 will continue on an experimental basis limited to 200 customers with Staff's changes, except the "A" day update.

PHASE II

SUMMER/WINTER DIFFERENTIAL AND LINE EXTENSION POLICY

Virginia Power also proposed a new line extension policy which would require all new residential service connections to pay a service fee of approximately $1,300. The fee would be treated as a contribution in aid of construction. Under the Company's proposal, each newly connected residence would be eligible for a credit to off-set the service fee. The size of the credit would depend on the amount of electricity used. A new resident with an all electric house would usually have the fee entirely offset by the credit.

The Company also proposed to increase the tail block charged for the summer billing months of June through September from 6.899¢ per kwh to 8.317¢ per kwh. The Company proposed increasing the tail block for the remaining winter billing months from 4.215¢ per kwh to 4.608¢ per kwh. The differential between the summer and winter months would thus be increased from 2.684¢ per kwh to 3.709¢. The Company claimed that both rate design proposals were offered in an attempt to assess costs more properly. A number of the Protestants in Phase II of this proceeding, however, objected to the Company's proposals.

The Company's proposals must be rejected. Virginia Power's proposed changes were not supported by the evidence; there was inadequate analysis offered by the Company, and there were too many unanswered questions. Rather than relying on data and analysis, the Company urged approval of what must be described as a drastic change in its residential line extension policy and an almost 40% increase in the summer/winter differential of the tail block of the residential rate because the changes were "cost-based." As the Company well knows, there can be many rate designs to recover the same revenue, each of which could be fairly termed "cost-based." This label, without more, does not suffice. Proposed rate changes must be analyzed and supported and their effects studied. In addition, alternatives must be reviewed. In short, proposals such as those made by the Company here must be shown to be consistent with or a part of a comprehensive integrated resource plan. Rate design, planning, and conservation and load management must be coordinated.

While Virginia Power's analysis of both proposals was lacking, there was a more disturbing lack of data supporting the Company's proposed line extension policy. First, the Company failed to show that the deteriorating residential class rate of return was tied to or caused by the increase in new residential connections. Also, the Company did not perform a life cycle analysis of new distribution plant to determine whether there is a significant subsidy problem. Further, the Company made no study of how the proposed line extension policy would affect capacity and energy requirements or conservation or load management. This failure conflicts with the clear directive in our 1992 Conservation and Load Management ("CLM") Order in which we specifically stated that cost effective CLM should be pursued and that rate design could be a powerful tool which can be used to achieve optimal CLM objectives. The Company does not know whether the line extension policy would increase or decrease total costs over the long term. The Company did not consider the impact of its proposals on the need for generating capacity in the future. The Company did not even study what impact the proposed plan would have on the number of all electric homes; instead, Virginia Power assumed that the new policy would have no impact on the electric use of new customers. These and many other legitimate issues and questions were dismissed by the Company as being "extraneous."[1]

These matters are not "extraneous," and they must not be dismissed. These and other similar issues are integral parts of proper planning that considers the results of the Company's actions. In the future, when the Company presents significant new rate designs, it should show how such designs impact its integrated resource planning and why the proposals were chosen over other alternatives.

The Commission has recognized the Company's excellence in the power production area; we urge the Company to move to the same level of excellence in the coordination of its planning, rate design, and conservation and load management.

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[1]Specifically, in his prefiled rebuttal testimony, Company witness Hilton stated that it had been suggested that the Company's proposals would

> (1) decrease competition, (2) adversely effect conservation and load management programs, (3) restrict consumer choices, (4) require additional transmission lines, (5) harm the environment, (6) result in less efficient use of natural resources, and (7) impede economic growth.

Exhibit EPH 48, pp. 8-9

Mr. Hilton responded as follows:

> The Commission should not let these externalities cloud the main focus in this case. The questions before the Commission are whether our proposals are reasonable and cost-based. The Company should not be impeded, by extraneous concerns, from offering proposals to control its costs and keep rates down. Likewise, the Commission should not constrain itself from taking action to correct the subsidy problems identified by the Company and should avoid debates on environmental and economic issues which may have no clear answers.

Exhibit EPH 48, p. 9.

PHASE III

CAPACITY COSTS DISALLOWANCE ASSOCIATED WITH THE GROSS RECEIPTS TAX ERROR

One final issue was addressed in Phase III of this case. Specifically, Staff witness Thomas E. Lamm recommended that the Commission disallow the portion of Virginia Power's capacity expense associated with contracted power purchases from certain non-utility generators ("NUGs"). Staff had discovered that the Company had included gross receipts tax ("GRT") in the calculation of Virginia Power's avoided cost which was the basis for capacity payments to a number of NUGs. In his Report, the Examiner found that there was no dispute that a GRT element was included in the calculation of numerous payments. GRT, however, is not avoided when a utility purchases power. It is a function of revenue and must be paid regardless of whether Virginia Power builds new capacity or purchases capacity from a NUG. In fact, no one on this record has argued that it is proper to include gross receipts tax in the calculation of the costs avoided by Virginia Power when it purchases from NUGs. Rather, the Company and several Protestants admit that GRT should not be included in the calculation of the Company's avoided costs. Thus, Staff clearly showed that an error had been made which caused capacity payments to be higher than they would have been absent the error.

Although the Company and many of the Protestants agreed that GRT should not be included in the calculation of avoided costs, they asserted that removing GRT from the calculation was not correction of an error, but rather refinement of the methodology. We disagree. Including GRT in the calculation was a clear and undisputed error and that is much different than "a refinement of the methodology" used to calculate avoided costs. The question of whether to include gross receipts tax is not methodological. An item has been included in avoided costs which clearly could not have been an avoided cost. The error should be corrected. We find that ratepayers should not have to bear a portion of capacity costs that are not truly avoided and hence are in excess of the Company's avoided costs. The recovery level of non-utility capacity costs should be reduced for the effects of the improperly included gross receipts tax component.

The Company and Protestant witnesses identified several modeling assumptions and methodological changes that are reasonably described as enhancements or refinements and reflect progression along the learning curve. We draw a sharp and distinguishing line between learning curve enhancements or refinements and pure error. We recognize that the Federal Energy Regulatory Commission regulations allow rates for purchases to be based upon estimates of avoided costs and that reliance on estimates does not violate the avoided cost standard. Moreover, this Commission has long allowed accommodations in the refinement of the avoided cost methodology. However, GRT inclusion is not a refinement of the avoided cost calculation. As noted by one witness, the proper standard of review must be the reasonableness of the estimates in the context of the information known at the time. The Company is well aware of the functioning of gross receipts tax and reasonably should have known that such tax was not avoided when power was purchased from a NUG.

The Virginia Supreme Court has held that we have reasonable discretion to disallow any part of expenses actually incurred where the evidence shows such expenses are exorbitant, unnecessary, wasteful or extravagant. Lake of Woods Utility Co. v. Corp. Comm., 223 Va. 100 (1982). Here purchased power costs are unnecessary and excessive because an undisputed error was made. It is not fair to the ratepayers to expect them to continue paying for the Company's GRT twice, once as a tax expense and again, erroneously, as a component of the Company's capacity expense. The Commission has a statutory duty to establish just and reasonable rates and to substitute just and reasonable rates if, upon investigation, a rate is found to be based on excessive costs. That is what we must do here.

It is also important to note that the disallowance ordered here is not retroactive. Staff has not recommended a retroactive disallowance of all or any portion of capacity payments already made but only a reduction in capacity costs included in the Company's cost of service effective with the interim rates in this case. Once the Company's avoided costs upon which its capacity costs were based were challenged by a showing that an error had been made, it became the Company's burden to show that its capacity costs were reasonable. That burden was not met.

We are also aware that our action here may have an effect on purchased power contracts through a contract clause referred to as the regulatory out clause; however, the operation of those clauses is not before us here. Staff has recommended disallowance of costs resulting from the GRT error from Virginia Power's rates but has not recommended reformation of non-utility contracts. Operation of specific mutually negotiated contract clauses should be left to the contract remedies available to Virginia Power and its power suppliers.

The Company classified a number of potentially affected NUG contracts into several categories in its rebuttal testimony: (1) NUGs with rates based on an early non-differential revenue requirement avoided cost that was approved by the Commission and set forth in the Company's Schedule 19 with limited applicability; (2) NUGs with "Schedule 19-type" capacity rates that were not explicitly covered by that standard offer; (3) NUGs with rates approved by the Federal Energy Regulatory Commission ("FERC"); (4) NUGs with rates based on Virginia Power's Chesterfield Unit 7 avoided costs; (5) NUGs whose rates were specifically ordered by the Commission in arbitration proceedings; and (6) NUGs with contracts entered into pursuant to later Schedule 19 rates approved by the Commission. Staff recommended disallowance of the GRT portion of the capacity costs related only to categories 2 and 4. We believe that is appropriate. In both cases, the Company established rates based on avoided costs including the GRT. We, however, will not reduce an expense which the FERC or we have reviewed, approved and explicitly ordered as was done in the remaining categories.

Our calculation of the disallowance does include payments under the Appomattox Cogeneration contract, however. Appomattox Cogeneration does not have a contract rate approved by the Commission in an arbitration proceeding. Although such result was alleged by Appomattox Cogeneration, the arbitration proceeding between Continental Forest Industries, Inc. (Appomattox Cogeneration's predecessor) and Virginia Power related to the timing of the applicability of pricing provisions already agreed to by Virginia Power and Continental Forest. The arbitration proceeding did not constitute a review and approval of the rate. Arbitration Proceeding Between Continental Forest Industries, Inc. and Virginia Electric and Power Company, Case No. PUE820052, 1983 S.C.C. Ann. Rept. 367.

Hopewell Cogeneration also offered testimony that it had a blended and, therefore, negotiated rate with no gross receipts tax component ascertainable. The evidence offered herein, however, reveals that the rate has a tier which includes gross receipts tax and a second tier which appears to be negotiated rather than based on an avoided cost calculation. We find capacity expenses related to the first tier payments are subject to disallowance because the rate was based on an avoided cost which included the GRT.

Since the Commission has retained deferred accounting treatment for purchased capacity expenses in this case, this same deferral mechanism provides a logical means to account for the disallowance of capacity expense without changing the revenue requirement found reasonable above. We will require Virginia

Power to credit deferred capacity expenses monthly by an appropriate amount to eliminate the disallowed GRT component of actual capacity expense. Such accounting should be effective October 27, 1992, and continue until the Company's next rate proceeding when an appropriate level of purchased capacity expense can be included in the revenue requirement. In that rate case we can review the actual level of the credit.

NOW, THEREFORE, IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner's September 3, 1993 and October 22, 1993 Reports, as modified herein, are adopted;

(2) That Virginia Power shall forthwith file revised tariffs designed to produce $241,896,000 in additional gross revenues effective for service rendered from October 27, 1992;

(3) That the Company, Staff and any interested parties shall explore expanding the generating unit performance program to include evaluation of the utility's purchased power capacity acquisition program and present testimony thereon in Virginia Power's next rate case;

(4) That Virginia Power shall file the results of five different cost of service studies more fully described above in its next rate case;

(5) That Rate Schedule 10 shall continue on an experimental basis until further order of the Commission;

(6) That Virginia Power shall credit deferred capacity expenses monthly by an appropriate amount to eliminate the disallowed GRT component of actual capacity expense;

(7) That, on or before May 2, 1994, Virginia Power shall refund with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning October 27, 1992, to the extent that such revenues exceeded the revenues which would have been produced by the rates approved herein;

(8) That interest upon such refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates ("Selected Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter;

(9) That the interest required to be paid shall be compounded quarterly;

(10) That the refunds ordered in paragraph (7) above, may be accomplished by credit to the appropriate customer's account for current customers (each such refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. Virginia Power 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. Virginia Power may retain refunds owed to former customers when such refund amount is less than $1; however, Virginia Power will prepare and maintain a list detailing each of the former accounts for which refunds are less than $1 and in the event such former customers contact Virginia Power and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Va. Code § 55-210.6:2;

(11) That on or before June 2, 1994, Virginia Power shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and account charged. Such itemization of costs shall include, inter alia, computer costs, personnel hours, associated salaries and costs for verifying and correcting the refund methodology and developing a computer program;

(12) That Virginia Power shall bear all costs of the refunds directed in this Order; and

(13) That, there being nothing further to come before the Commission, this matter shall be removed from the docket and the papers placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Virginia Electric and Power Company, Case No. PUE920041, Summary of ROR, Indices & % Increases" 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. PUE920041
FEBRUARY 24, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a general increase in rates

ORDER GRANTING RECONSIDERATION

On February 17, 1994, Hopewell Cogeneration Limited Partnership ("Hopewell Cogeneration") filed a Petition for Reconsideration of a portion of the February 3, 1994 Final Order issued in this proceeding ("Final Order"). Hopewell Cogeneration specifically petitioned for reconsideration of our finding that the capacity payments made by Virginia Electric and Power Company ("Virginia Power") to Hopewell Cogeneration contain a "tier which includes gross receipts tax" for which Virginia Power was denied rate recovery. Hopewell Cogeneration alleges that such finding "appears to be based on a misunderstanding of the uncontroverted facts and should be reversed."

Chesapeake Paper Products Company ("Chesapeake") filed a Petition for Reconsideration on February 23, 1994. Chesapeake also sought reconsideration of that portion of our Final Order which disallowed a portion of Virginia Power's capacity payments attributable to the erroneous inclusion of gross receipts tax ("GRT") in the calculation of certain capacity payments. In support of its request, Chesapeake asserted that the evidence does not support the conclusion that a GRT component was included in the calculation of Chesapeake's rate.

Union Camp Corporation ("Union Camp") also filed a Petition for Reconsideration on February 24, 1994.

Upon consideration of these petitions, we are of the opinion that they should be granted for the sole purpose of reconsidering the issues raised by Hopewell Cogeneration, Chesapeake, and Union Camp. Accordingly,

IT IS ORDERED that the Final Order entered herein on February 3, 1994, shall be, and hereby is, suspended until further order of the Commission.

CASE NO. PUE920041
FEBRUARY 25, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a general increase in rates

ORDER

The Virginia Electric and Power Company, by petition filed on February 25, 1994, requests clarification of our Order Granting Reconsideration of February 24, 1994. As the previous order states, the Commission will reconsider only petitions concerning the gross receipts tax issues. The result of the reconsideration in this case cannot change the new rates we ordered implemented in the February 3 Final Order. Accordingly,

IT IS ORDERED:

(1) That the petition for clarification is granted;

(2) That Virginia Power shall immediately implement the rates and refunds declared lawful by the Final Order of February 3 and continue processing refunds in accordance with that Final Order; and

(3) That this case shall remain open for the reconsideration previously ordered by the Commission.

CASE NO. PUE920041
MARCH 7, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a general increase in rates

ORDER ON RECONSIDERATION

On February 17, 1994, Hopewell Cogeneration Limited Partnership ("Hopewell Cogeneration") filed a Petition for Reconsideration of a portion of the February 3, 1994 Final Order issued in this proceeding ("Final Order"). Hopewell Cogeneration specifically petitioned for reconsideration of our finding that the capacity payments made by Virginia Electric and Power Company ("Virginia Power") to Hopewell Cogeneration contain a "tier which includes gross receipts tax" for which Virginia Power was denied rate recovery. Hopewell Cogeneration alleges that the finding "appears to be based on a misunderstanding of the uncontroverted facts and should be reversed."

In support of its petition, Hopewell Cogeneration refers to the testimony of William P. Utt, Executive Vice President of CRSS Capital, Inc., the developer and one of the owners of Hopewell Cogeneration. Mr. Utt asserted that capacity payments to Hopewell Cogeneration are negotiated rates resulting from blending two separate pricing proposals to arrive at a weighted average price that has no identifiable gross receipts tax ("GRT") component. He further testified that the blended rate was derived by weighting the initial rate, based on Chesterfield 7 combined cycle unit estimated costs including GRT, at 84.15%. Hopewell Cogeneration recites the applicable contract provision in its Petition which clearly provides that Virginia Power will purchase 84.15% of dependable capacity at the rate of $11.1975/kW per month for the first fifteen years and $6.4333/kW per month for the remaining ten contract years. The contract further provides that the remaining 15.85% of capacity will be purchased at the rate of $4.9229/kW per month stated in 1988 dollars and escalated under the contract. Hopewell Cogeneration asserts that every kW is priced at the 84.15%/15.85% weighted average or blended rate. These percentages, it alleges, do not create tiers of capacity – "they only represent components for calculating the negotiated weighted average price applicable to all capacity." (Emphasis in the original.)

Chesapeake Paper Products Company ("Chesapeake") filed a Petition for Reconsideration on February 23, 1994. Chesapeake sought reconsideration of that portion of our Final Order which disallowed capacity expenses to the extent that they were attributable to the erroneous inclusion of GRT in the calculation of certain capacity payments. Specifically, Chesapeake asserts that the evidence related to its contract with Virginia Power does not support the conclusion that a GRT component was included in the calculation of Chesapeake's rate. In its petition, Chesapeake states that "[e]ven though the payment structure was intended to generally follow the structure of avoided cost payments approved in Schedule 19 proceedings, the evidence is unequivocal that the actual capacity rate Chesapeake receives was based on a negotiated rate." Chesapeake further asserts that Virginia Power witness Carney "assumes that a gross receipts tax rate was used in developing generation costs for the original avoided cost payments in Case No. PUE80012, but he cannot be certain." (Emphasis in the original.) Thus, Chesapeake argues, there is no mechanism for separately identifying a GRT component in its rate.

Union Camp Corporation also filed a Petition for Reconsideration on February 24, 1994. Union Camp urges us to adopt the Hearing Examiner's recommendation to allow all capacity costs to be recovered in rates regardless of the error in the calculation of capacity payments. Union Camp asserts that the Final Order arbitrarily discriminates against contracts not approved by the Commission. Moreover, Union Camp argues that "[i]t is fair for Virginia Power's ratepayers to shoulder the cost of the error for the duration of existing contracts."

We issued an Order Granting Reconsideration on February 24, 1994, for the sole purpose of considering further our decision on the gross receipts tax issues raised in the Petitions filed by Hopewell Cogeneration, Chesapeake and Union Camp. The limited purpose of our reconsideration was reiterated by our Order dated February 25, 1994, directing Virginia Power to implement the rates and refunds declared lawful by the February 3, 1994, Final Order since the gross receipts tax issues raised in the Petitions did not affect Virginia Power's revenue requirement in this case.

It is important at the outset of our discussion on consideration of the petitions before us to articulate clearly the question which must be addressed and we believe Union Camp has properly framed the question in its petition. We must determine whether the ratepayer should bear a portion of Virginia Power's capacity costs that are not truly avoided and result from the utility's error. Union Camp asserts that the ratepayers should bear such an expense for the duration of the contracts because $2 million a year is a "minuscule" cost. Union Camp would also characterize this error as a conceptual one rather than a simple arithmetic error like 1+1=3. We reach another conclusion than does Union Camp based on the record before us. We are of the opinion and continue to find that the ratepayer should not bear any responsibility for an error Virginia Power made in the calculation of capacity payments, an error which we find to be more basic than 1+1. No addition was necessary at all. Gross receipts taxes should not have been included in the calculation. Moreover, the limitations placed on the disallowance are not arbitrarily discriminatory. Although GRT was also included in the calculation of payments under contracts specifically approved by the Commission or the Federal Energy Regulatory Commission, we did not include those costs in the calculation of the disallowance. We are of the opinion that it would not be reasonable to reduce an expense which we have reviewed, approved and explicitly ordered Virginia Power to pay. That, however, is not the case with those costs included in the disallowance. The relief requested in Union Camp's petition should be denied.

As we stated in the Final Order, we realize that our decision here will affect some of the purchase power contracts as a result of mutually negotiated regulatory out clauses, but we must emphasize that we are investigating the level of Virginia Power's rates to its retail customers in this case. We are not attempting to reform capacity payments in individual contracts. Accordingly, we must evaluate Virginia Power's costs of service and determine whether they are just and reasonable. The Staff identified an error which Virginia Power admitted was made in the calculation of numerous rates. GRT is not a cost avoided when power is purchased from a non-utility developer. Thus, we are compelled to disallow the unnecessary and excessive capacity costs attributable to that error.

We appreciate that it is difficult to remain focused on the essential question in the third phase of this rate case - the reasonable level of the cost of service built into Virginia Power's rates. It, however, is well established that we have reasonable discretion to disallow any part of expenses where the evidence shows such expenses to be unnecessary or excessive. When the evidence before us established that an error had been made which caused Virginia Power's capacity costs to be higher than they would have been absent the error, we had reasonable grounds to conclude that Virginia Power's costs were unnecessary and excessive and then to substitute just and reasonable rates for those found to be based on excessive costs. Based on the facts before us we concluded that Virginia Power's ratepayers should not bear the burden of that error.

The relief requested in Hopewell Cogeneration's petition also must be denied. Based on the petition itself and Mr. Utt's testimony, it is clear that the capacity payment Virginia Power makes to Hopewell Cogeneration has a clear and ascertainable gross receipts tax tier or "component" in it. Virginia Power witness Jones also included a portion of the Hopewell Cogeneration capacity payments in the long list of those payments which had been calculated including an avoided GRT. Hopewell Cogeneration's Petition neglects to consider Virginia Power's rebuttal testimony in this case. Even after Messrs. Utt and Shanker testified that the new blended rate was negotiated and therefore could not include an identifiable GRT, Virginia Power maintained that a portion of the Hopewell Cogeneration payments were properly included in Category 4 which included those contracts, or portions thereof, which had rates based on Chesterfield 7 costs, which in turn included GRT. Hopewell Cogeneration was properly included in Category 4. The final rate was based on or included a component that improperly included GRT. Virginia Power admits this and we will not burden ratepayers with costs Virginia Power agrees were based on the error.

Payments to Hopewell Cogeneration are higher than they would have been if 84.15% of the dependable capacity rate had been correctly calculated based on an avoided cost excluding GRT. The evidence that the current Hopewell Cogeneration capacity rate has a component which was calculated based on the erroneous inclusion of GRT is uncontroverted. Therefore, as we said in the February 3 Final Order, purchased power costs here are unnecessary and excessive because an undisputed error was made. When the evidence shows that payments were based on or include a component which is in error and results in excessive costs we must substitute just and reasonable rates for rates based on those excessive costs. Whether it is referred to as a tier or a component in the calculation of a blended rate, any payments which include an identifiable and erroneous GRT component should be included in the calculation of the disallowance ordered here.

On its face, Chesapeake's Petition is more difficult to resolve, but, again, we must remain focused on the issue at hand. Are Virginia Power's costs just and reasonable? It is Virginia Power which is the subject of the disallowance here, not Chesapeake. Virginia Power witness Carney identified the evolution of the avoided cost methodology used by Virginia Power. He described a marginal analysis which was used to derive a levelized revenue requirement factor applied to the original plant investment thereby providing a constant revenue requirement necessary to recover the capital related costs of owning and operating a plant including return, depreciation, income and property taxes, fixed operating and maintenance expenses and gross receipts taxes. After describing the methodology used, Mr. Carney went on to explain that

> Conceptually, in order to remove the effect of the inclusion of gross receipts tax from the capacity payments, it would first be necessary to recompute the capacity costs after removing the gross receipts tax component from the levelizing factor. Since no detailed work papers exist, we can only assume that the gross receipts tax rate used in deriving the transmission and distribution components of the marginal cost study was also used in developing generation capacity costs.

Contrary to the suggestion in Chesapeake's Petition, the inclusion of gross receipts tax was not in doubt, only the tax rate used in the calculation. Again, although we recognize that due to a clause which Chesapeake and Virginia Power negotiated, Chesapeake may be indirectly affected by our action here, disallowance of Virginia Power's costs are at issue, not the impact on Chesapeake. We know that gross receipts taxes were erroneously included in the capacity costs of Virginia Power and it is reasonable to rely on the only evidence available on this record to determine the proper level of Virginia Power's disallowance, the testimony of its own witness, Mr. Carney.

Upon consideration of the Petitions filed by Hopewell Cogeneration, Chesapeake and Union Camp, and the record herein, we are of the opinion and find that the relief requested in the Petitions for Reconsideration should be denied; accordingly,

IT IS ORDERED that the relief requested in the Petitions for Reconsideration filed by Hopewell Cogeneration, Chesapeake and Union Camp is denied.

CASE NO. PUE920055
MARCH 3, 1994

APPLICATION OF
VIRGINIA WATER & SEWER COMPANY

For a certificate of public convenience and necessity

DISMISSAL ORDER

On April 20, 1993, the Commission issued an order granting Virginia Water and Sewer Company ("the Company") a certificate of public convenience and necessity to provide water and sewerage service to customers in the Pilot House Apartments in Newport News, Virginia. In that Order, the Commission also declared that the Company's rates be made interim, directed the Company to collect certain accounting data and make certain booking adjustments, and directed its Staff to file, on or before December 31, 1993, a report detailing its findings and recommendations relative to its review of the above referenced data.

On December 15, 1993, Staff filed its report. In its report, Staff stated that the Company's expenses are nearly equivalent to its revenues and that the Company had made the appropriate booking adjustments. Staff also stated that, based on its analysis of the Company's revenues and expenses, the Company's interim rates appeared to be reasonable. Staff then recommended that this case be dismissed.

NOW THE COMMISSION, having considered Staff's report, is of the opinion the Company's interim rates should be made permanent and that this case should be dismissed from our docket of active cases. Accordingly,

IT IS ORDERED:

(1) That the interim rates of Virginia Water and Sewer Company be and hereby are made permanent; and

(2) That this case shall be dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE920058
MAY 11, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend certificates of public convenience and necessity authorizing transmission lines and facilities in the Counties of Brunswick, Charlotte, Dinwiddie, Halifax, Lunenburg and Mecklenburg: Clover-Carson 500 kV Transmission Lines

ORDER GRANTING APPLICATION

Before the Commission is Virginia Electric and Power Company's ("Virginia Power" or "Company") application to amend its certificates of public convenience and necessity for the counties of Brunswick, Charlotte, Dinwiddie, Halifax, Lunenburg and Mecklenburg in order to permit the construction of a 500 kV transmission line from the Clover Generating Station in Halifax County to the Company's Carson Substation in Dinwiddie County. As modified herein, we grant the application.

Procedural History

On December 28, 1989, the Commission issued its Final Order in Case No. PUE890051, Application of Old Dominion Electric Cooperative and Virginia Electric and Power Company, For approval of new generation facilities pursuant to Virginia Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.2, 1989 S.C.C. Ann. Rep. 308, which authorized the named parties to construct a two-unit, coal-fired electric generating station near Clover, Virginia. In that order, we noted that transmission facilities for the Clover units would "necessitate the initial installation of two 230 kV transmission lines with a 500 kV line later to be installed to assure reliable transmission from the facility." (1989 S.C.C. Ann. Rep. 310).

On September 23, 1992, the Commission issued its Order Granting Amended Certificate in Case No. PUE920043, Application of Virginia Electric and Power Company, To amend its Certificate of Public Convenience and Necessity authorizing operation of transmission lines and facilities in Halifax County: Clover Power Station 230 kV Tap Lines, 1992 S.C.C. Ann. Rep. 340, which authorized the construction of the two 230 kV lines first mentioned in the 1989 Order authorizing the construction of the power station. The remaining facility mentioned in the 1989 order, the "500 kV line later to be installed," is the subject of the instant proceeding.

The application before us was filed on August 20, 1992. By order dated October 1, 1992, the Commission assigned this matter to a Hearing Examiner, established a procedural schedule and set the matter for public hearings on February 10, 1993, to hear from public witnesses and on February 16, 1993, to receive evidence from the Applicant, Protestants and Staff. A number of protests were filed.

On December 15, 1992, and January 6, 1993, two Protestants, the Historic and Environmental League to Protect Southside ("HELP Southside") and W. Earl and Janice T. Chappell, filed motions to continue the second part of the public hearings, citing a need for additional time to conduct discovery and prepare for the hearing. The Examiner granted the motions in part and rescheduled the second part of the hearings to June 7, 1993.

On February 10, 1993, two public hearings were held in the Lunenburg County Courthouse. Approximately 90 public witnesses made statements regarding the construction of the proposed power line during these two hearings. The public hearings were re-convened on February 16, 1993, in the Commission's Courtroom and six additional public witness statements were received.

The second part of the hearing was held on June 7-9 and 29, 1993. During these hearings, the Examiner received evidence from Virginia Power, HELP Southside, Protestants Walter K. and Susan A. Myers ("Myers"), Protestant Cardinal Homes, Inc. ("Cardinal"), and the Commission Staff ("Staff"). Statements were also received from 23 additional public witnesses.

On September 30, 1993, the Hearing Examiner issued his Report. The Report finds that there is a need for the proposed 500 kV transmission line; that the public convenience and necessity require the construction of the line; that the Company's proposed route, incorporating several minor alterations, will reasonably minimize the adverse impact on the scenic and environmental assets of the area concerned and should therefore be used; and that Virginia Power had adequately demonstrated that existing rights-of-way could not adequately serve its needs. The Examiner recommended, therefore, that the Commission grant the application, with the noted modifications in routing.

On October 15, 1993, HELP Southside, Virginia Power and Myers filed comments or exceptions to the Examiner's report. HELP Southside asserted in its exceptions, inter alia, that the Examiner's rejection of its request for cross-examination of two public witnesses, Konstantinos Kappatos, Vice-President of Engineering and Operations for Old Dominion Electric Cooperative ("ODEC") and William F. Reinke, Vice-President of System Planning and Operation for Duke Power Company, and a member of the executive committee of the Virginia-Carolinas Reliability Agreement ("VACAR"), was a procedural error abrogating due process rights.

On February 18, 1994, the Commission remanded the proceeding to the Examiner for the purpose of affording cross-examination of the indicated witnesses. The Order Remanding Proceeding states that "each of these witnesses has technical expertise which relates directly to this proposed project, and each has a significant interest in the project. Mr. Kappatos appeared on behalf of ODEC, which is a co-owner of the Clover project, and Mr. Reinke spoke on behalf of VACAR, which is concerned with coordination of facilities among member utilities, one of which is Virginia Power." (Order, at 2.)

On March 11, 1994, the Examiner convened the public hearing during which the witnesses were cross-examined by the parties. The Examiner filed his Supplemental Report on March 14 in which he found no basis for changing his Report of September 30, 1993. Comments on this supplemental report have been received. The matter is now ripe for decision.

Need for the Project

As recited in the Examiner's Report, there is no real question as to the need for an additional transmission line connecting the Clover Power Station to the grid. The tap lines authorized for construction in Case No. PUE920043 will be sufficient to transmit the generation from the plant during normal operations, but in the event of an outage on either of the lines, the output of the plant would have to be reduced significantly. Operation of the units in the absence of additional transmission capacity would result in dangerous overloads on various surrounding lines and subject the generating units to instability during outage conditions. The absence of additional transmission capacity from the plant also restricts Virginia Power's ability to maintain inter-company power transfer capability. In short, there is no question as to the need for additional transmission capacity; the questions focus instead on the size and routing of the additional transmission line.

Size and Routing of Line

Virginia Code § 56-46.1 requires the Commission, in considering the application to:

> determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned.

Further, this provision states that, "the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company."

In its application, Virginia Power represented that it had evaluated seven alternate line configurations to determine the most cost effective and environmentally benign solution to support the generating facility at Clover. The two alternatives deemed most desirable by the Company were subjected to more thorough analysis. These two alternatives were the proposed 500 kV Clover-Carson line and a 230 kV Clover-Carson line.[1] The Company preferred the 500 kV line because it was the best technical alternative, in that it removed all single contingency line overloading, provided unit stability, minimized line losses and did not limit the power transfer capability with neighboring utilities.

During the course of the proceedings, Virginia Power considered and analyzed several additional possible routings of the transmission line. By the time of the hearing, attention had focused on three alternatives: the proposed 500 kV line from Clover to Carson (Alternative 9), a 230 kV line from Person to Clover to Clubhouse (Alternative 5), and a 500 kV line from Clover to a new substation intersecting the Carson-Wake 500 kV line (Alternative 14). The Commission Staff recommended that the Company undertake a more extensive study of Alternative 14 to determine the extent to which the existing right-of-way along that corridor could be used.

The Examiner rejected Alternative 5 because of the increased length of this facility, which is more than 30 miles longer than the proposed Clover-Carson 500 kV line, and because a 230 kV line experiences greater line losses and, consequently, imposes additional generation requirements and pollution emissions compared to the 500 kV alternative. The Examiner found that the operation of Alternative 5 would result in higher losses (17 MW and 149,571 MWh) as compared to Alternative 9. The present value of these additional losses over the life of the project was estimated by the Company to be $66,896,000. Finally, construction of this alternative would depend on the concurrence of the North Carolina Utilities Commission, as the Person Substation is located in that state. In sum, the Examiner found Alternative 5 to be clearly inferior to Alternative 9, the proposed route, and Alternative 14, recommended by the Staff for further study.

We agree with the Examiner's conclusion that Alternative 5, the 230 kV line, is clearly inferior to the remaining primary alternatives. The record amply demonstrates that 230 kV solutions to the transmission problems posed by the Clover plant cause markedly higher line losses, which must be offset by increased generation from other sources. This results in substantial increases in air emissions and millions of dollars of added costs, when compared to 500 kV solutions. For example, in the application, Virginia Power determined that installing a 230 kV line from Clover to Carson would cost nearly $30 million more than a 500 kV line using the same route when the costs associated with incremental system losses were included and would result in thousands of tons of additional air emissions. Alternative 5 clearly would not "reasonably minimize adverse impact on the . . . environment of the area concerned."

The Examiner also rejected the Staff's call for further study of Alternative 14, which might utilize an existing right-of-way for much of its length. As noted above, Code Section 56-46.1 requires the utility to demonstrate that existing rights-of-way cannot adequately serve the needs of the company before the Commission may authorize construction requiring new rights-of-way.

In its initial analysis of Alternative 14, Virginia Power deemed it to be technically acceptable, under the criteria it employed to screen alternatives. That is, use of this line configuration would not cause unit instability under fault conditions, would not inhibit the power transfer capability, and would not cause overloaded lines in a single contingency outage. The initial objection to the use of the existing right-of-way was "line route congestion." The existing right-of-way, which has never been surveyed and is only 80 feet wide, is sufficient for the 115 kV line which now traverses it, but insufficient for a 500 kV line right-of-way. Expansion of the right-of-way to accommodate the larger line would require the removal of a number of residences and businesses. The Staff recommended that the Company study this alternative route to determine whether the existing right-of-way could be largely used, but deviated from in order to avoid these impacts.

In response, Virginia Power presented the results of further technical analyses of Alternative 14, as part of its evidence that this alternative was electrically inferior to Alternative 9. Alternative 14 would connect the Clover Power Station to a 500 kV line running from the Carson Substation to the Wake Substation, owned by Carolina Power & Light Company, located in North Carolina. Alternative 9 would connect the Clover Power Station at the Carson Substation, while Alternative 14 would make the connection at a new substation to be constructed about 20 miles south of the Carson Substation. Virginia Power's supplemental technical analysis focused on the consequences of a line outage somewhere in this 20-mile segment of the Carson-Wake 500 kV line and concluded that, if Alternative 14 were constructed, an outage on this section of the Carson-Wake line could have serious consequences on regional transmission operation. In this scenario, a significant portion of the output from the Clover Power Station would not flow directly toward Virginia Power's load centers to the north and east, but would pass south toward Wake and into Carolina Power & Light's service territory. In order for the Clover power to reach Virginia Power

[1] After further analysis, Virginia Power determined that the 230 kV alternative was technically unacceptable.

territory, it would have to pass over already heavily loaded transmission lines on the west-to-east interface. Under certain operating conditions, the sudden influx of additional load on these lines could result in mandatory transfer curtailment on the west-to-east interface.

The Examiner also rejected the use of Alternative 14 because it would create a vulnerable situation for the plant for all lines (i.e., the two 230 kV "tap lines" and the 500 kV line) to exit the Clover station along a single right-of-way. Use of existing right-of-way, although desirable in many instances and given statutory preference as well, is to be avoided as a single exit of power from the plant. An outage on such a common right-of-way could render the entire output of the plant lost.

Finally, the Examiner rejected Alternative 14 because of the impact on existing homes and businesses. In rebuttal, Virginia Power offered two variations of Alternative 14 (14-A and 14-B), in which it attempted to route around the locations of homes and businesses. Each of the three Alternative 14 configurations had a much greater impact on existing homes and businesses than did Alternative 9.

We believe the evidence at the conclusion of the hearing supports a finding that Virginia Power met its burden of providing "adequate evidence that existing rights-of-way cannot adequately meet" its needs. We further agree with the Examiner that the Company's proposed route will minimize the adverse impact on the scenic and environmental assets of the area concerned as compared to the viable alternatives.

As discussed previously, the Examiner recommended routing the proposed line between the Clover Power Station and Virginia Power's Carson Substation generally along the Company's proposed route. In its application, Virginia Power proposed an Alternate Route B to its proposed routing through Brunswick County. The Examiner recommended use of this Alternate Route B because it had somewhat less impact on residences and agricultural land.

Based on testimony and exhibits offered at the hearing, the Examiner recommended several other modifications in the route proposed in Virginia Power's application. In the vicinity of Wylliesburg, Charlotte County, Virginia Power proposed a modification in its proposed route to accommodate Protestant Cardinal Homes' manufacturing plant. The Examiner recommended this modification in the route. Similarly, Virginia Power proposed at the hearing some routing modifications in the vicinity of Southside Electric Cooperative's Gary Substation in Lunenburg County. The Examiner recommended this routing which would accommodate the requests of several land owners. Finally, the Examiner recommended two modifications in routing in Dinwiddie County proposed by the Company. First, Virginia Power would reroute the line in the vicinity of Route 619 to avoid two homes under construction in a new subdivision. Virginia Power also proposed modification in the routing on the W. Earl and Janet T. Chappell farm near Carson to reduce interference with irrigation and cultivation of crops. Upon consideration of the Examiner's report and the record, the Commission adopts his recommended routing with the identified modifications and the use of Alternate Route B.

Environmental Impacts

Section 56-46.1 requires the Commission to consider the effect of the proposed line on the environment and to establish necessary conditions for minimizing adverse environmental impact. We consider environment in the broadest sense, and we must be satisfied that the proposed transmission line will minimize adverse effects on historic and natural resources, as well as existing and proposed land uses. The Commission is particularly concerned about impact on occupied or habitable residences.

As the Examiner found in his Report, Virginia Power's environmental consultants studied possible routings between the Carson Substation and the Clover Power Station and the various environmental impacts of the routing possibilities. Appended to Virginia Power's application are copies of extensive correspondence between Virginia Power, or its consultants, and state and federal environmental agencies addressing the routing. Virginia Power also contracted with the College of William and Mary's Center for Archaeological Research to conduct an investigation of the proposed routing to determine the impact on historic structures and residences. The Center's report was admitted to the record. The record also reflects that Virginia Power's contractors spent considerable time conducting field investigations.

Clearly, a 500 kV transmission line will have some unavoidable impacts on any area through which it passes. We are charged with approving a route which will reasonably minimize these impacts. The Commission finds that Virginia Power has proposed an acceptable route. The record shows that the Company avoided, in so far as possible, identified historic structures and residences. In particular, we note that the proposed route borders the Reams battlefield near its termination at Carson. It appears, however, that the impact would be minimal and would not adversely affect any development or historic interpretation of that site. Scenic assets, agricultural uses of land, wetlands, and all forms of wildlife were also considered in developing the proposed routing.

In its testimony and exhibits presented at the hearings, Virginia Power's experts identified a number of steps that could be taken to mitigate adverse environmental impact. The Company also offered testimony and exhibits on its construction and maintenance practices designed to avoid or reduce adverse environmental consequences. The record shows that Virginia Power committed to implementing certain mitigation proposals and following identified maintenance and construction procedures where possible. These include the measures and procedures identified in the application and the Environmental Assessment (Exh. No. CJW-16, Part VII).

The Commission expects this project to be constructed and operated in an environmentally responsible manner. In particular, the Commission expects Virginia Power to implement the mitigation, construction and maintenance measures and procedures as it agreed to do. We also expect Virginia Power to be sensitive to the loss of wetlands caused by this project.

We recognize that appropriate practices may change over time. In addition, as construction progresses, Virginia Power and its contractors may encounter new environmental concerns or sites of potential historic interest. It is also possible that state and federal agencies with authority to permit or approve aspects of this project may modify their requirements or conditions. The Commission assumes that Virginia Power will respond appropriately to changes in circumstances. The Commission will require Virginia Power to notify our Director of Energy Regulation in advance of making any changes in construction techniques or mitigation measures presented in this case. The Director will promptly respond to such notification.

Health and Safety Impacts

In its directive to consider environmental impact in approving a transmission line route, Section 56-46.1 requires the Commission to include consideration of the "probable effects of the line on the health and safety of persons in the area concerned." Transmission lines operating at a frequency of 60 Hertz create electromagnetic fields ("EMF"). Virginia Power presented in its application, testimony and exhibits estimates of the strength of these fields at the edge of its proposed right-of-way and at various distances from the right-of-way. As the record in this case reflects, the question of health effects focuses on the impact of these magnetic fields.

The ongoing debate as it relates to this case centers on the question of whether prolonged exposure to magnetic fields created by transmission lines operating at a frequency of 60 Hertz is associated with an increased incidence of various forms of cancer in humans. The medical and scientific communities have attempted to gauge this association through epidemiological studies.

Virginia Power and Protestant HELP Southside developed an extensive record on epidemiological studies of the possible relationship between magnetic fields and various types of cancer. As Virginia Power's witness Cole testified, there are inherent limitations in epidemiological research. Epidemiological methodology is based on observation and on review of health records. As the witness explained, it is not an experimental science. The epidemiologist may not have complete control over the exposure of subjects, and the identification of a cause for a particular disease may only be made by inference. Nonetheless, epidemiological studies currently are the best available information on the question of whether magnetic fields created by the proposed transmission line could have adverse health effects in human beings.

The question about the health effects of transmission lines has been raised, but the scientific community has been unable to answer it thus far. As the record shows, the question continues to be studied throughout the world. In the United States, federal agencies are leading an expanded review of the impact of EMF, and this effort may provide the Commission more information and, perhaps, a definitive answer. The Commission will consider new scientific studies of this subject both in future proceedings and in our continued review of scientific literature conducted in conjunction with the Virginia Department of Health pursuant to Senate Joint Resolution No. 126 agreed to by the General Assembly in 1985.

The need for a transmission line has been established on the record, and we are required to consider all elements of the public interest, including power needs, in addition to the questions regarding EMF. However, we will not have a definitive answer to the scientific questions posed by magnetic field exposure for some time. Accordingly, we must decide this case giving appropriate consideration to the scientific uncertainty which surrounds it.

As reflected in testimony and exhibits offered in this proceeding, many scientists and others acknowledge that the connection between magnetic fields and adverse health effects has not been fully established. Distance from the source reduces the strength of the magnetic field. Some scientists, therefore, advocate taking all steps in the design, location and construction of transmission lines to avoid exposing people to magnetic fields. This approach is frequently referred to as "prudent avoidance." While the Commission is not now adopting prudent avoidance as a policy, we note that our approach to routing this particular 500 kV line incorporates many elements which reduce extended exposure of humans to the line.

As discussed previously, we have considered impact on residences to be a significant criteria in routing. While we are concerned with the visual impact and physical intrusion of transmission lines and supporting structures on homes, the Commission's policy of avoiding homes also minimizes the impact on residences from magnetic fields associated with transmission lines. The record also establishes that the line has been routed to avoid industrial and agricultural land uses. While we cannot decide the scientific debate on the facts of this case, the location of the line minimizes human exposure to its magnetic fields. Giving due consideration to the scientific debate about exposure to magnetic fields, we will approve construction of the proposed transmission line under the circumstances of this case.

NOW HAVING CONSIDERED the record, the Hearing Examiner's Reports, Parties' Comments on the Reports, and the applicable statutes, the Commission is of the opinion and finds that the application of Virginia Power, as modified herein, is in the public interest and should be approved.

ACCORDINGLY, IT IS ORDERED:

(1) That Virginia Power's application for amendment of certificates of public convenience and necessity for the counties of Brunswick, Charlotte, Dinwiddie, Halifax, Lunenburg, and Mecklenburg to construct and to operate a 500 kV transmission line be granted with the modifications noted herein;

(2) That, upon issuance of appropriate amended certificates of public convenience and necessity, Virginia Power be authorized to construct and to operate a 500 kV transmission line originating at the Virginia Power - ODEC Clover Power Station, Halifax County and passing through the Counties of Brunswick, Charlotte, Dinwiddie, Halifax, Lunenburg, and Mecklenburg to terminate at Virginia Power's Carson Substation, Dinwiddie County along the route approved herein; and

(3) That, forthwith upon receipt of this order, Virginia Power shall file revised maps reflecting the routing approved in this order so that amended certificates of public convenience and necessity may be issued by subsequent order.

CASE NO. PUE920058
JUNE 16, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend Certificates of Public Convenience and Necessity authorizing transmission lines and facilities in the Counties of Brunswick, Charlotte, Dinwiddie, Halifax, Lunenburg and Mecklenburg: Clover-Carson 500 kv Transmission Line

ORDER GRANTING CERTIFICATES

On May 11, 1994, the Commission granted Virginia Electric and Power Company's ("Virginia Power" or "Company") application to construct and operate a single-circuit 500 kv transmission line originating at the Clover Generating Station in Halifax County, crossing the Counties of Charlotte, Mecklenburg, Lunenburg, and Brunswick, and terminating at the existing Carson Substation in Dinwiddie County.

The Commission also directed Virginia Power to file maps showing the revisions in routing as approved in the order of May 11, 1994, in order that appropriate amended certificates of public convenience and necessity for Brunswick, Charlotte, Dinwiddie, Halifax, Lunenburg, and Mecklenburg Counties can be issued. On May 19, 1994, the Company filed new maps on which the route of the line has been revised where necessary to comply with the Commissions Order Granting Application.

As authorized by previous Commission orders, Virginia Power and Old Dominion Electric Cooperative jointly operate certain facilities in Halifax County, as shown on the certificate of public convenience and necessity issued to each utility. While none of the jointly operated facilities are directly affected by this application, an appropriate amended certificate of public convenience and necessity for Halifax County will also be issued to Old Dominion Electric Cooperative.

ACCORDINGLY, IT IS ORDERED:

(1) That amended certificates of public convenience and necessity be issued as follows:

Certificate No. ET-67d, for Brunswick County, authorizing Virginia Electric and Power Company to operate present transmission lines and facilities and to construct and operate the proposed single-circuit 500 kv transmission line, all as shown on the map attached thereto; such Certificate No. ET-67d will supersede Certificate No. ET-67c, issued on April 4, 1972;

Certificate No. ET-72d, for Charlotte County, authorizing Virginia Electric and Power Company to operate present certificated transmission lines and facilities and to construct and operate the proposed single- circuit 500 kv transmission line, all as shown on the map attached thereto; such Certificate No. ET-72d will supersede Certificate No. ET-72c issued on July 31, 1974;

Certificate No. ET-76i, for Dinwiddie County, authorizing Virginia Electric and Power Company to operate the present transmission lines and facilities and to construct and operate the proposed single- circuit 500 kv transmission line, all as shown on the map attached thereto; such Certificate No. ET-76i will supersede Certificate No. ET-76h issued on July 25, 1980;

Certificate No. ET-84k, for Halifax County, authorizing Virginia Electric and Power Company and the Old Dominion Electric Cooperative to construct and operate two previously certificated 393 MW pulverized coal-fired generating units, and authorizing Virginia Electric and Power Company to operate present transmission lines and facilities, to construct and operate the previously certificated single-circuit 230 kv transmission line, and to construct and operate the proposed single-circuit 500 kv transmission line, all as shown on the map attached thereto; such Certificate No. ET-84k will supersede Certificate No. ET-84j issued on September 23, 1992;

Certificate No. ET-92e, for Lunenburg County, authorizing Virginia Electric and Power Company to operate present transmission lines and facilities and to construct and operate the proposed single-circuit 500 kv transmission line, all as shown on the map attached thereto; such Certificate No. ET-92e will supersede Certificate No. ET-92d, issued on July 31, 1974; and

Certificate No. ET-93k, for Mecklenburg County, authorizing Virginia Electric and Power Company to operate present transmission lines and facilities and to construct and operate the proposed single-circuit 500 kv transmission line, all as shown on the map attached thereto; such Certificate No. ET-93k will supersede Certificate No. ET-93j issued on February 6, 1990.

(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. PUE920069
NOVEMBER 28, 1994

APPLICATION OF
COMMONWEALTH UTILITIES, INC.

For a certificate of public convenience and necessity

ORDER ACCEPTING UNTIMELY NOTICE AND AMENDING CERTIFICATE

By Order issued on December 22, 1993, the Commission granted Commonwealth Utilities, Inc. ("Commonwealth" or "the Company") a certificate authorizing the Company to provide water service to customers located in the Fairview Acres Development of Culpeper County, Virginia. In that Order, the Commission also directed Commonwealth to provide customers in the Clairmont subdivision with notice of a proposed amendment to its certificate which would include such customers in its authorized service territory.

The Commission directed that the Company mail the prescribed notice on or before February 1, 1994, and forthwith serve a copy of the above referenced order on the chairman of the Culpeper County Board of Supervisors. Pursuant to that notice, customers in the Clairmont subdivision were provided with an opportunity to comment or request a hearing. The Commission also directed the Company to provide proof of notice on or before March 1, 1994.

By letter filed on September 22, 1994, Commonwealth's president W. Robert Jebson, Jr., advised the Commission that Commonwealth mailed the prescribed notice to its Clairmont customers on August 17, 1994, and served the Chairman of the Culpeper Board of Supervisors that same day. In his letter, Mr. Jebson requested that the notice provided on August 17, 1994, be deemed compliance with the Commission's directives detailed herein.

We will treat this request as a motion to accept untimely notice and proof of notice.

On October 14, 1994, Staff filed a report. In its report, Staff noted that there were no comments or requests for hearing from customers in the Clairmont subdivision. Staff recommended that Commonwealth's certificate be amended to include the above referenced subdivision.

NOW THE COMMISSION, having considered the matter, is of the opinion that Commonwealth's motion should be granted. We rely on Staff's report and the customers' response to the notice. The Commission is of the further opinion that it is in the public interest for Commonwealth's certificate to be amended to include the Clairmont subdivision. Accordingly,

IT IS ORDERED:

(1) That the notice given to residents of the Clairmont subdivision and the chairman of the board of supervisors of Culpeper County on August 17, 1994, and the proof of notice filed with the Commission on September 22, 1994, be and hereby is accepted;

(2) That Certificate No. W-274 be, and hereby is canceled;

(3) That Commonwealth shall be granted an amended certificate of public convenience and necessity (Certificate No. W-274a) to provide water service to those areas previously authorized in Certificate No. W-274 as well as to the Clairmont subdivision in Culpeper County, Virginia;

(4) That the Company shall forthwith submit to the Commission's Division of Energy Regulation maps detailing the above referenced service territory; and

(5) That there being nothing further to be done, the matter be and hereby is dismissed from the Commission's docket of active cases and the papers placed in the files for ended causes.

CASE NO. PUE920075
MARCH 22, 1994

APPLICATION OF
HERITAGE HOMES OF VIRGINIA, INC.

For a certificate of public convenience and necessity

FINAL ORDER

On November 2, 1992, Heritage Homes of Virginia, Inc. ("Heritage Homes" 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 166 customers in Valley View, Achsah Acres, and Oak Park subdivisions of Madison County, Virginia, and the Ashmore/Rixley Retreat, Catalpa Estates, Northtown Village, Westover and Heritage Estates subdivisions of Culpeper County, Virginia. The Company also requested approval of its tariff.

By Order dated December 14, 1992, the Commission docketed the matter, directed the Company to provide interested persons with an opportunity to comment and request a hearing, and directed its Staff to investigate the application and file a report detailing its findings and recommendations. In its report, Staff recommended that the matter be set for hearing.

Initially, the matter was set for hearing on April 26, 1993. The Company requested several continuances in the procedural schedule, and the date for hearing was ultimately extended to November 22, 1993.

In a July 2, 1993 ruling at the conclusion of the oral argument, the Examiner granted the Company's request for a revised procedural schedule and its request to amend its application to reflect increased rates, charges, and fees. The Examiner also directed Staff to perform another audit of the Company, if necessary, and took Heritage Homes' request for interim rate relief under advisement.

In its amended application, the Company increased its base rate by $4.50 resulting in a revised flat rate of $29.75 per month. Similarly, the Company increased its fees and charges to reflect the following: a $40 turn-on fee; a $40 turn-off fee; a late payment charge of $10; and a bad check charge of $25.

On July 21, 1993, the Company filed a motion revising and supplementing an earlier motion that requested that Heritage Homes be allowed to implement its proposed rate increase on an interim basis, subject to refund, effective August 1, 1993. By ruling dated August 12, 1993, the Examiner allowed the Company to increase its rates and charges on an interim basis effective September 1, 1993.

A public hearing was held in the Commission's courtroom on November 22, 1993, before Hearing Examiner Deborah V. Ellenberg. Counsel appearing were Nathan H. Miller for the Company and Marta B. Curtis for the Commission's Staff. Heritage Homes presented its proof of notice at the commencement of the hearing.

The issues in controversy related to the salary expense for the owner and president of the Company, Mr. Bennett T. Matthews, and the proper allocation of expenses associated with the office from which Mr. Matthews operates other business' interests. The Company took issue with Staff's adjustment to remove 45% of Mr. Matthews' salary based on time spent on utility related business. The Company testified that such an adjustment was improper as the amount of expense claimed was specifically for services rendered to the water company by Mr. Matthews.

The Company also took issue with Staff's adjustment to allocate non-utility related expenses associated with the office on the basis of the percentage of utility related work performed by Mr. Matthews. The Company testified that it was more appropriate to allocate rent, cleaning, and telephone expense based on the percentage of such work performed by the bookkeeper rather than the percentage of utility related work performed by Mr. Matthews.

Although not an issue contested at the hearing, the Company questioned the propriety of establishing Heritage Homes' rate base one way for ratemaking purposes and another way for tax purposes. Staff explained that, for ratemaking purposes, the Commission uses the Uniform System of Accounts which requires utility plant in service to be based on original cost. For tax purposes, however, the Company's utility plant in service is calculated using market value.

On February 18, 1994, the Examiner filed her report. In her report, the Examiner found, in pertinent part, that:

1. A certificate of public convenience should be granted to Heritage Homes of Virginia to provide water service to customers in the above-referenced subdivisions;

2. The 12-month period ending June 30, 1993, is a proper test year;

3. The Company's adjusted test year operating revenues were $51,112;

4. The Company's adjusted test year operating expenses were $53,564;

5. The Company's adjusted test year adjusted operating income was ($2,452);

6. The Company's proposed rates will produce $8,970 of additional annual revenues and generate an adjusted operating income of $6,330;

7. The Company's proposed flat rate of $29.75 is just and reasonable;

8. The Company's proposed $40 turn-on fee, $40 disconnection fee, and customer deposit policy are reasonable and should be adopted;

9. Staff's recommendation to allow a $6 bad check charge and a late payment fee of 1 1/2% per month are reasonable and consistent with the Commission's rules on utility practices and should be adopted;

10. The Company should compile a year of usage data to assist it in designing properly structured metered rates; and

11. The Staff should perform another financial audit of Heritage Homes based on a 1994 test period to review the Company's financial position.

The Examiner recommended that the Commission enter an order that adopts the findings in her Report, grants the Company a certificate of public convenience and necessity to provide water service to the above-referenced subdivisions and approves a flat rate of $29.75 per month for water service. The Examiner also recommended that the Commission dismiss the case from the Commission's docket of active cases and place the papers in the file for ended causes.

In her discussion of the issues in controversy, the Examiner accepted the Company's position for salary expense and Staff's position as to the proper allocation of office expense. The Examiner found a $12,000 a year salary to be a reasonable level of compensation for running a water company of this size and type. The Examiner also found it appropriate to allocate office expenses based on the time Mr. Matthews spent on utility related business since, as owner and president, he has control over all office utilization decisions. The Examiner adopted Staff's recommendation to make an interest expense adjustment to the Company's revenue requirement to allow adequate coverage of its long-term debt costs and stated that this expense should be adjusted to account for the gross receipts taxes the Company must pay. Further, the Examiner noted that Staff's treatment of the Company's rate base was proper in determining the appropriate level of rates.

The Examiner found that the Company would require additional annual revenues of $9,781 to earn a 12% return on rate base and fully recover its interest on long-term obligations. This, however, exceeds the Company's proposed increase of $8,970 and, therefore, the Examiner recommended approval of the Company's proposal.

There were no comments or exceptions to the Hearing Examiner's Report.

NOW THE COMMISSION, having considered the Examiner's Report and the record, is of the opinion that the Examiner's findings and recommendations are reasonable and should be accepted. Accordingly,

IT IS ORDERED:

(1) That the Examiner's findings and recommendations are hereby adopted;

(2) That the Company shall be granted Certificate No. W-276 to provide water service in the Valley View, Achsah Acres, and Oak Park subdivisions in Madison County, Virginia, and the Ashmore/Rixley Retreat, Catalpa Estates, Northtown Village, Westover, and Heritage Estates subdivisions in Culpeper County Virginia;

(3) That the Company is hereby authorized to charge a flat rate of $29.75 per month for water service;

(4) That the Company shall file a revised tariff incorporating the approved bad check charge and late payment fee;

(5) That the Company shall assess the condition of its existing meters and evaluate the feasibility of installing meters for those customers who are not currently metered and compile such data to facilitate the design of metered rates in its next rate increase; and

(6) That 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. PUE920080
FEBRUARY 16, 1994

APPLICATION OF
CAPTAIN'S COVE UTILITY COMPANY, INC.

For a certificate of public convenience and necessity

FINAL ORDER

On December 4, 1992, Captain's Cove Utility Company, Inc. ("Captain's Cove" or "the Company") filed an application for a certificate of public convenience and necessity to provide water and sewer service in the Captain's Cove Subdivision of Accomack County, Virginia.

In its application, the Company requested approval of the following tariff:

Water Rates

(1) Service Connections:

(a) 3/4-inch connection - $500.00
(b) Over 3/4-inch - actual costs plus gross-up for taxes. In no event, however, shall the service connection charge be less than that for a 3/4-inch connection.

(2) Monthly Metered Rates:

First 5,000 gallons - $2.00 per thousand (minimum charge)
Next 10,000 gallons - $1.75 per thousand
All over 15,000 gallons - $1.50 per thousand

(3) Monthly Minimum Charge - $10.00

Sewer Rates

(1) Service Connections:

$3,000.00 for single family residential users

(2) Monthly Rates:

(a) Single family residential users - $10.00
(b) All others - 90% of the service charge for water

(3) Monthly Minimum Charge: $10.00 for single family residential users

Availability Fees:

$10.00 per month for residential lots which do not receive water or sewer service, but the service runs adjacent to, or in front of, the customer's property and is available upon request.

The Company also proposed a $100.00 turn-on charge for nonpayment of any bill or for violation of the Company's rules and regulations of service. In addition, Captain's Cove proposed a bad check charge of $6.00 and a late payment fee of 1 1/2% per month on all past due balances.

By Order dated January 13, 1993, the Commission directed the Company to provide notice of its application and established a procedural schedule for the filing of comments and requests for hearing. By Order dated January 29, 1993, the Commission permitted the Company to file an amended application, granted the Company additional time to provide public notice and extended the dates for the Company's customers to file comments and requests for hearing.

On March 18, 1993, the Staff of the State Corporation Commission filed its report. In that report, Staff recommended that the matter be set for hearing. In addition, a number of the Company's customers requested a hearing, and approximately fifty-six (56) of those customers requested that the Commission schedule the hearing locally.

On April 13, 1993, the Commission entered an order scheduling the matter for hearing in Richmond and in Oak Hall, Virginia. In that Order, the Commission directed the Company to provide additional notice to the public and established a procedural schedule for the filing of pleadings, testimony and exhibits.

Pursuant to that Order, an evidentiary hearing was held at the Commission's courtroom in Richmond, Virginia, on September 1, 1993. Subsequently, a local hearing was held at the Arcadia High School Auditorium in Oak Hall, Virginia, on September 9, 1993.

Hearing Examiner Glenn P. Richardson presided at the hearings. Counsel appearing were Dennis O. Laing for the Company and Marta B. Curtis for the Commission Staff.

At the time of the evidentiary hearing, several issues remained between the Company and Staff. Those issues were related to Staff's accounting adjustments with specific reference to the adjustments to the Company's bad debt expense, certain expenses associated with the Company's rent, copier and utility payments and the elimination of certain items associated with non-utility expense. There was also the issue of the applicability of the Company's availability fees to lots owned by the developer, First Charter Land Company ("First Charter").

The Company challenged Staff's adjustment which reduced the Company's bad debt allowance to 1% of the Company's total operating revenues. The Company claimed that it would be virtually impossible to obtain this collection rate and, in the alternative, proposed a bad debt allowance of 25% of its operating revenues.

The Company also challenged Staff's adjustment which reduced the Company's test year rent expense, copier expense and utility expense. Staff's adjustments were based on Staff's observations made during the course of its audit which seemed to indicate that more than one company was conducting business from the Company's office. It was Company's position that it would be improper to disallow such expenses as they were prudently incurred expenses of the Company. At the hearing, the Company's witness, B. Calvin Burns, specifically testified that no other company had operated from the Company's office since 1990.

In addition the Company challenged Staff's adjustment which eliminated certain non-utility expenses associated insurance purchased for a non-employee of the Company and furniture purchased for a person other than the Company. The Company's witness Burns testified that it would be improper to remove those expenses as he personally reimbursed the Company for those items. Mr. Burns then produced several checks and deposit slips to substantiate that he had reimbursed the Company for a portion of those expenses.

Finally, the Company opposed Staff's recommendation that First Charter be subject to availability fees for lots owned by the developer. It was the Company's position that the availability of water and/or sewer was of no benefit to the developer until he tried to sell or use the lots. Moreover, the Company noted that such a charge would provide a disincentive for further expansion of the system.

Staff opposed the Company's proposed rate increase. It also recommended a change in the Company's rate design. Specifically, Staff recommended a flat rate of $10.00 per month for water, a flat rate of $10.00 per month for sewer service and an availability fee of $2.78 per month. Staff also opposed the Company's $100.00 turn-on charge and approval of a tariff with metered rates.

Numerous customers appeared at the local hearing, and twelve of the Company's customers appeared and made comments on the Company's application. The majority of the comments centered on the Company's proposed water and sewer rates. The customers complained that Staff's recommended flat rate of $10.00 per month for water service and $10.00 per month for sewer service would result in approximately a 233% increase in rates.

On November 24, 1993, the Examiner filed his Report. In that Report, the Examiner found that:

(1) There is a public need for water and sewer service in the Captain's Cove subdivision in Accomack County, Virginia;

(2) No other publicly or privately owned water or sewer system is able to provide adequate service in the Captain's Cove Subdivision;

(3) The Company's facilities will provide proper and adequate water and sewer service in the Captain's Cove Subdivision;

(4) The Company has the financial and managerial ability to properly operate, install, and maintain the facilities necessary to provide water and sewer service in the Captain's Cove Subdivision;

(5) The Company should be granted a certificate of public convenience and necessity to provide water and sewer service to the Captain's Cove Subdivision;

(6) The 12-month period ending December 31, 1992 is a proper test year for evaluating the reasonableness of the Company's proposed rates;

(7) The Company's adjusted test year operating revenues were $151,536;

(8) The Company's adjusted test year operating expenses were $146,922;

(9) The Company's adjusted test year net operating income was $4,614;

(10) The Company's proposed rates will produce $261,024 of additional annual revenues and generate a net operating income of $160,019;

(11) The Company's proposed rates are unjust and unreasonable because they will generate excessive net operating income and provide the Company with more revenues than necessary to recover its prudently incurred expenses and maintain the Company in a sound financial condition;

(12) A reasonable level of rates for this Company is a flat $7.00 per month charge for water usage customers; a flat $7.00 per month charge for sewer usage customers; and a $3.45 per month availability charge;

(13) The rates recommended in finding paragraph (12) will produce $20,654 in additional gross annual revenues and generate a net operating income of $20,083. These rates will provide revenues sufficient to recover the Company's prudently incurred expenses and maintain the Company in a sound financial condition;

(14) The Company should set up its books in accordance with the Uniform System of Accounts for Class C Water Utilities;

(15) The Company's proposed metered rates and its $100.00 turn-on charge should be rejected until such time as the Company installs individual meters;

(16) The Company's tariff should be amended to remove the language referring to customer deposits until such time as the Company decides to require deposits;

(17) The Company's connection fees, bad check charge, and late payment fees are just and reasonable, and should be approved;

(18) The Company should be directed to cease recording non-utility expenses on its books and records; and

(19) The Company should provide a 24-hour toll free telephone number or a local telephone number so customers can contact Company personnel.

The Examiner recommended that the Commission enter an order that adopts the findings in his Report, grants the Company a certificate of public convenience and necessity to provide water and sewer service in the Captain's Cove Subdivision of Accomack County, Virginia, and approves a flat $7.00 per month usage fee for water service, a flat $7.00 per month usage fee for sewer service, and a $3.45 availability fee. The Examiner also recommended that the Commission approve the Company's proposed rules and regulations, as amended in his Report, and dismiss the case from the Commission's docket of active proceedings placing the papers in the file for ended causes.

The Examiner discussed the Company's proposed rates. The Examiner agreed with Staff that the Company's proposed rates were unjust and unreasonable. The Examiner, however, did not agree with Staff's recommendation that no rate increase be granted. The Examiner found that the Company needed a moderate increase in rates to meet its expenses and to provide adequate funds for working capital and a small reserve for future improvements.

The Examiner modified Staff's 1% bad debt allowance and set the Company's allowance at 10%. In his analysis, the Examiner stated that, while Staff's allowance of 1% for bad debts might be sufficient for large utilities operating in the Commonwealth, it was unrealistic and unfair for Captain's Cove to have that allowance. The Examiner noted that the major portion of the Company's operating revenues was derived from availability fees which are very difficult to collect.

The Examiner rejected the Company's request for a 25% bad debt allowance as providing a disincentive to collect past due accounts and placing an unreasonable burden on paying customers. The Examiner concluded that the 10% allowance was proper, as it would provide an appropriate incentive for the Company to pursue active collection of past due accounts while moderating the financial impact on customers who pay their bills in a timely manner.

The Examiner agreed with Staff's recommendation relative to applicability of availability fees to lots owned by First Charter. The Examiner noted that First Charter customers are similarly situated to other availability customers as both have contributed to the cost of the water and sewer system and do not receive any direct benefits from the system. The Examiner concluded that any disparity in rate treatment would constitute unreasonable discrimination against the Company's other availability customers and result in a violation of § 56-234 of the Virginia Code.

The Examiner disagreed with Staff's proposed rate design with specific reference to the recommended $10.00 per month water rate and the $10.00 per month sewer rate for usage customers. In his analysis, the Examiner noted that such rates would represent unacceptable "rate shock" as it would constitute a 233% increase over the Company's prior rates of $4.00 per month for water service and $2.00 per month for sewer service. The Examiner therefore recommended a flat $7.00 per month water rate, a flat $7.00 per month sewer rate and a $3.45 available fee.

On December 9, the Company, by counsel, filed comments ("comments") to the November 24, 1993 Report of the Hearing Examiner. In that filing, the Company's counsel took exception with the Examiner's recommendation as to the applicability of availability fees to lots owned by First Charter. Counsel for the Company stated that the Examiner's recommendation amounts to assessing a penalty on Mr. Burns, owner of both First Charter and the Company, for being unable to sell all of his lots and for complying with the statutory requirements of certification.

Specifically, the Company's counsel took issue with the Examiner's conclusion that availability customers and First Charter are similarly situated. Counsel noted differences between First Charter and other lot owners in regard to the amount contributed to the system, the risk assumed in operating the system, and the Company's lack of choice in becoming such a customer. Company's counsel noted that, unlike other availability customers, First Charter did not agree to become an availability customer when it donated the system to the Company.

NOW THE COMMISSION, having considered the Examiner's Report and the comments thereto, is of the opinion that the Examiner's findings and recommendations are reasonable and should be adopted. We agree with the Examiner's analysis of the applicability of the availability fee to lots owned by First Charter. We are of the opinion that First Charter is similarly situated to other availability customers and that to exempt First Charter from availability fees would constitute unjust rate discrimination and a violation of the law. Accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings, as stated in his November 24, 1993 Report, are hereby adopted;

(2) That Captain's Cove Water Company be, and hereby is, granted Certificate No. W-275 to provide water service and Certificate No. S-80 to provide sewer service to Captain's Cove Subdivision of Accomack County, Virginia;

(3) That the Company is hereby authorized to charge a flat $7.00 per month usage fee for water service, a flat $7.00 per month usage fee for sewer service, and a $3.45 availability fee;

(4) That the Company shall set up its books and records in accordance with the Uniform System of Accounts for Class C Water Utilities;

(5) That the Company shall cease recording non-utility expenses on its books and records;

(6) That the Company's proposed rules and regulations, as amended herein, are hereby approved;

(7) That the Company shall file with the Staff tariff sheets reflecting the permanent rates and rules and regulation approved herein;

(8) That the case be, and hereby is, dismissed from the Commission's docket of active proceedings and the papers placed in the file for ended causes.

CASE NO. PUE920081
JUNE 27, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

For a general increase in rates

FINAL ORDER

On December 4, 1992, Appalachian Power Company ("Appalachian" or "Company") filed its application seeking an increase in its jurisdictional electric rates designed to produce additional annual revenues of $31,377,417. Appalachian proposed that the tariffs containing said rates be made effective as of January 4, 1993.

Instead, by Order dated December 29, 1992, the Commission suspended the rates for 150 days, through May 3, 1993. The Company implemented its proposed rates on an interim basis, subject to refund, on May 4, 1993. By Order dated January 12, 1993, the Commission appointed a Hearing Examiner to conduct further proceedings, set the matter for public hearing, and established a procedural schedule for the filing of pleadings, prepared testimonies and exhibits.

The matter was brought on for hearing on July 6 - 8, 1993. Appearances were entered by H. Allen Glover, Michael J. Quinan, and James R. Bacha for Appalachian; James C. Dimitri and Steven L. Dalle Mura for the Old Dominion Committee for Fair Utility Rates ("Committee"); Jeffrey M. Gleason and Oliver A. Pollard, III, for the Southern Environmental Law Center ("SELC"); Gail D. Jaspen for the Office of Attorney General, Division of Consumer Counsel

("Attorney General"); and, Deborah V. Ellenberg and William H. Chambliss, for the Commission Staff. Testimony was received from twenty-seven witnesses and one intervener at the hearing. The parties filed briefs on September 13, 1993.

The Hearing Examiner issued his Report on February 18, 1994. Based on the evidence received, the Examiner found:

(1) The use of a test year ending June 30, 1992, is proper in this proceeding;

(2) The Company's test year operating revenues, after all adjustments, are $626,527,190;

(3) The Company's test year operating revenue deductions, after all adjustments, are $540,191,575;

(4) The Company's test year net operating income, after all adjustments, is $86,335,615;

(5) The Company's adjusted test year rate base is $957,275,826;

(6) The Company's current rates produced a return on adjusted rate base of 8.97%;

(7) The Company's current cost of equity is within a range of 10.50% and 11.50%;

(8) The Company's revenue requirement should be set at three-fourths of the authorized return on equity range, 11.25%;

(9) Based on the December 31, 1992, unconsolidated APCO capital structure the Company's overall cost of capital is 9.487%;

(10) The Company's application requesting $31,377,417 in additional gross annual revenues is unjust and unreasonable because it will generate a return on rate base greater than 9.487%;

(11) The Company requires additional gross annual revenues of $7,785,879 to earn a 9.487% return on rate base;

(12) The Company should file permanent rates designed to produce the additional revenues found reasonable herein using the revenue allocation methodology recommended in the Report;

(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 in the Report;

(14) The Company should be required to perform and submit the studies recommended in the Report prior to its next rate filing, with the exception of the Clean Air Act cost allocation study; and

(15) The Company should implement base rate deferred accounting for capacity equalization charges and off-system sales income beginning May 4, 1993.

The Report recommended that the Commission enter an order adopting the findings contained in the Report, granting the Company an increase in gross annual revenues of $7,785,879 and directing the Company to make a prompt refund of all amounts collected under the interim rates in excess of the rate increase found reasonable by the Examiner. Comments on and exceptions to the Examiner's Report were filed by the parties on March 7, 1994.

Appalachian took exception to the Examiner's recommendations concerning the Company's authorized return on equity; the appropriate level of its Member Load Ratio ("MLR"), and the various expense and revenue levels which are calculated with reference to the MLR, according to the terms of the Interconnection Agreement among Appalachian and its sister companies; the treatment of Accumulated Deferred Investment Tax Credits ("ADITC"); the treatment of its Other Post Employment Benefit ("OPEB") expense; its non-stock material expense; general liability expense; pension expense; Marketing, Accounting, Customer Services System ("MACSS") expense; demand side management ("DSM") expenses; and, the recommended level of the off-peak adder to the residential time of day rates. The Company also requested sufficient time, not less than 12 months, to complete and file the various cost studies recommended by the Examiner.

The Attorney General took exception to the recommendation of the Examiner that Appalachian be allowed to implement deferred accounting for capacity equalization charges and off-system sales; the appropriate level of the MLR; certain aspects of the treatment of OPEB expenses; the Examiner's recommendation regarding the Company's Corporate Owned Life Insurance ("COLI") program; and, the Company's return on equity.

The Committee also took exception to deferred accounting and the appropriate level of the MLR; the treatment of general liability expense; the Examiner's rejection of its proposed "opt-out" provision from the Company's DSM programs; and, to two of the recommendations concerning the Large Power Service Time of Day rate schedule -- the level of the off-peak excess demand charge and the eleven-month demand "ratchet."

The SELC excepts to the rejection of special revenue recovery mechanisms for the DSM programs and the recommended approval of the Company's Residential Storage Water Heater program.

In addition to the exceptions specifically noted above, the parties filed numerous comments in support of various of the Examiner's findings.

NOW THE COMMISSION, upon consideration of the record, the Examiner's Report, the comments on and exceptions thereto, and the applicable statutes and rules, is of the opinion and finds that the recommendations and findings contained in the February 18, 1994, Examiner's Report should, as modified herein, be adopted. This case presented the Commission with a large number of issues, some of first impression for Appalachian, or of unusual complexity, or both. The Commission commends the Examiner for his thorough report, which discusses and makes recommendations on approximately 30 issues. We will adopt, without further comment, most of his recommendations. We differ with the Examiner on the issues of deferred accounting and the appropriate level of the

MLR; the treatment of ADITC; the point within the range of return on equity at which to set rates, based on the generating performance review; and, his recommendation to adopt the Company's proposed eleven-month demand "ratchet." We accept the Examiner's recommendations as to OPEB expense and the DSM programs and expenses with some further comments. Based on the findings of the Examiner, together with the modifications to his Report contained herein, the Commission finds that the Company is entitled to additional gross annual revenues of $17,874,539.

Deferred Accounting and MLR

The Examiner recommends that we implement deferred accounting for Appalachian's capacity equalization charges and off-system sales income, with a base level of such items built into rates based on an MLR (.31342) which averages the test year and the pro forma year actual MLRs. Other MLR-based revenue and expense items, for which deferred accounting is not recommended, would be calculated based on the pro forma actual MLR (.31852). As can be determined from the exceptions noted above, this set of recommendations, based on the positions of the Staff, proved unsatisfactory to all the concerned parties. Appalachian supported deferred accounting, but objected to the low level of the MLR, arguing that all the MLR items should be calculated using, as the Commission did in its last case,[1] the pro forma year MLR. The Attorney General and the Committee raised numerous arguments in opposition to deferred accounting and also objected to the level of the MLR, which they characterized as too high. These protestants supported an MLR based on a 5-year historical average MLR (.31090).

The Commission concludes that it is not in the public interest to permit Appalachian to implement deferred accounting for its capacity equalization charges and off-system sales income. The capacity charges are paid to Appalachian's affiliates, the other operating companies of the American Electric Power system.

In Case No. PUE880052, Commonwealth of Virginia, ex rel., State Corporation Commission, Ex parte: In the matter of establishing Commission policy regarding rate treatment of purchased power charges by electric utilities and cooperatives, 1988 S.C.C. Ann. Rptr. 346 (November 10, 1988), the Commission considered various regulatory alternatives for the rate treatment of capacity purchases by electric utilities. That proceeding, while not a rulemaking, established certain policy guidelines to govern rate treatment of capacity charges on a case by case basis, making allowances for the particular circumstances facing the utility in question. The guidelines were specifically made applicable "only to power purchases made by investor-owned electric utilities from nonaffiliated sources." While the Commission has permitted another utility to implement ratemaking alternatives, including deferred accounting, for capacity purchases from nonaffiliates, we are not persuaded to abandon the guideline established in Case No. PUE880052 prohibiting alternative rate treatment for purchases from affiliates.

Regarding the appropriate level of the MLR on which to base the rate-level amount of capacity expense and other items, we will again use the average actual pro forma level MLR, as we did in Case No. PUE900026. Appalachian's capacity expense during the pro forma year was assessed on this basis by the terms of the Interconnection Agreement, and we believe it is the appropriate factor to use in setting rates in this case. We do not preclude the use of another basis to determine the appropriate MLR in future cases where circumstances may differ. For the purposes of this proceeding, all items dependent on the determination of the MLR will be calculated using the pro forma MLR of .31852

Accumulated Deferred Investment Tax Credits

Appalachian has a substantial amount of deferred investment tax credits. Since 1975,[2] the Commission has afforded the Company ratemaking treatment for these credits as if the Company had made an "Option 2" election under § 46(f)(2) of the Internal Revenue Code for certain of its accumulated deferred investment tax credit balances. That ratemaking treatment requires that the amortization of the ADITC be used to reduce current income tax expense, while the unamortized balance of the ADITC be carried in the Company's rate base, earning the Company's authorized return.

During this proceeding, it was determined that Appalachian had, in 1971 and again in 1975, elected to have certain of its ADITC balances treated by the taxing authorities under Option 3, § 46(f)(3) of the Internal Revenue Code. That provision permits, but does not require, a different ratemaking treatment of the benefits associated with ADITC than Appalachian has received from the Commission in the years since 1975. In this proceeding, the Attorney General proposed, and the Examiner adopted as his recommendation, a different ratemaking treatment for these accounts. The Attorney General argued that the full benefits of ADITC should be conveyed to the ratepayers who, in his view, have paid "for the full costs of the assets that generated the investment tax credits, including a return on and a return of these assets." The Examiner recommended that the Commission continue to reduce current tax expense by the amortization of the ADITC, but also to reduce rate base by the amount of unamortized ADITC. This treatment reflects the actual cost consequences of ADITC, and provides no added benefits to the shareholders of the Company.

The Commission is of the opinion that the "Option 2" ratemaking treatment should be continued. Other jurisdictional utilities made "Option 2" elections, and have received that ratemaking treatment over the years. While Appalachian made "Option 3" elections for some of its properties, and the fact that it so elected permits a different ratemaking treatment than the sharing of the ADITC benefits as described above, the Commission finds no compelling argument to change the policy made in 1975, simply because it has been revealed that it may be permissible to do so. The Commission finds no reason to afford Appalachian a different treatment than is afforded to Virginia Power or any of the other "Option 2" jurisdictional utilities. It has not been shown that the Company gained some financial advantage through the fact of its "Option 3" election, which might require the Commission to consider modifying its policy. Further, although ratepayers do pay through rates a return on and of the assets invested, the investment originates with the Company's shareholders. We find it is fair to continue "Option 2" ratemaking, which has been in place since 1975.

Generating Unit Performance

The Examiner found the Company's cost of equity to be within the range of 10.5 to 11.5%. The record fully supports this finding, and we adopt it. The Examiner also determined that the point within that range at which rates should be set, based on the Company's generating unit performance, was 11.25%, the three-fourths point of the range. Since the introduction of our generating unit performance review, Appalachian has consistently been rewarded for the outstanding

[1] Application of Appalachian Power Company, 1991 S.C.C. Ann. Rptr. 287 (May 13, 1991).

[2] Application of Appalachian Power Company, 1975 S.C.C. Ann. Rptr. 184 (May 1, 1975).

performance of its generating units with rates set at the very top of the equity range.[3] The Commission traditionally has reviewed the Equivalent Availability Factors ("EAFs") attained by the various generating units in determining whether a performance reward or penalty should be imposed. As set out in the Examiner's report, Appalachian has achieved higher than national average EAFs over the years and the heat rates attained by its units "have been and continue to be among the best in the electric industry." However, during the test period Appalachian's units did not measure up to its typical outstanding performance. For one reason, the Company began an emphasis on cost containment through more effective use of reserve outage time. Rather than incur overtime or outside contract labor expense to return a unit experiencing an outage to reserve status more expeditiously than necessary, unit managers were instructed to extend scheduled outages in order to perform additional routine maintenance. Although such action necessarily reduces the EAF, it is proper and we encourage the Company to continue this practice to promote efficient, reliable and cost effective generation. After making allowance for this "modification" of the EAF, the Staff concluded that Appalachian's generating units still performed at slightly below the national average. We agree with the Examiner that this decline in the Company's generating performance merits some reduction in the generating performance reward from the top end of the range, but we find that setting rates at the 90% point of the equity range, or 11.4%, is more appropriate than the Examiner's recommendation of setting rates at the three-quarters point (11.25%)[4], in reflection of the long duration of the Company's above average EAFs and the continuance of its excellent heat rates.

The Demand "Ratchet"

The Examiner recommended that we adopt the Company's proposal to modify the billing demand provision of its Large General Service rate schedule. The revision would automatically apply a higher billing demand level if a customer exceeded its contract capacity during the preceding eleven months. The Committee excepted to this recommendation. The Report notes that the Company's present practice is to request that the customer enter a new contract when its demand exceeds its current contract demand and that the Company still plans to confirm with a customer attaining a new peak demand that it was not because of some aberration, rather than automatically applying the "ratchet" to monthly demands that exceed the contract capacity. The Commission finds that, given these circumstances, the automatic application of a higher demand is neither necessary or advisable; a utility and its customer should communicate prior to the modification of an existing contract. The Commission also notes, however, that the current demand determinations, practices, and ratchet level should be reevaluated in light of changing load characteristics and capacity requirements. The Company and Staff are directed to study the issue of demand ratchets and their application and report the results of such study to the Commission in the Company's next rate filing.

Demand Side Management Issues

The Examiner recommended rejection of the Company's proposal to recover lost revenues, resulting from its implementation of several experimental DSM programs, through deferred accounting and a DSM surcharge. The surcharge would be applied on a per kWh basis to Appalachian's residential, commercial and industrial customer classes in proportion to the Company's expenditures on DSM programs for, and net lost revenues from, each class. The Examiner also recommended that Appalachian's Residential Storage Water Heater Program be approved, limited to 200 customers.

The SELC excepted to these recommendations. The SELC argued that traditional regulation discourages utility investment in DSM and therefore ratemaking incentives are needed to overcome the regulatory "bias" toward sales, rather than conservation, of electricity. We agree with the SELC that utilities have little incentive to create and market programs which serve to reduce sales and lower their profits. We distinguish here between "conservation" and "load management" programs. Under the latter, the utility's sales may merely be shifted to its off-peak period, preserving some level of utility profits while hopefully reducing utility expenses. Indeed, some load management programs tend to increase sales. With conservation, however, the utility will actually lose sales and, thus, profits. Programs specifically designed truly to conserve energy may require consideration of ratemaking incentives when fully implemented and the Company, the SELC, and other interested parties are encouraged to develop suggestions for consideration at the time the Commission considers, if it does so, permanent implementation of the experimental programs approved in Case No. PUE920072 and the Residential Storage Water Heater Program approved herein. The Commission agrees with the Examiner that the request for ratemaking alternatives is premature at this time. The Company's DSM programs are limited pilot programs and the anticipated amount of lost revenues is, at this time, *de minimis*. However, the Commission places all parties on notice that this matter will be reconsidered if and when the Commission considers permanent implementation of any of the pilot programs now in experimental status.

Regarding the Residential Storage Water Heater Program, we agree with the concerns expressed by the SELC that the program may lead to fuel switching. The Examiner addressed these concerns in adopting the Staff's recommended limitation on participants, but we further direct the Company to study and report the number of homes where fuel switching occurs and the number of new home constructions where the program arguably resulted in builder fuel switching, in order to inform the Commission of the extent of fuel switching and to guide the Commission's development of policy responses.

Excess Off-Peak Demand Charge

We will adopt the Examiner's recommended level of excess off-peak demand charge, $2.65/kW at primary voltage and $2.60/kW at subtransmission, for the Large Power Service-Time of Day rate schedule. This rate design tool forms a useful incentive to encourage shifting of load from on- to off-peak periods. The charges approved herein do reflect somewhat the art, rather than the science, of ratemaking. Off-peak demand charges are particularly difficult to set. Although precise costs may be determined for various elements of service, there may be great debate as to which of these elements should be reflected in the rate. Even though the record in this case is less than it could be, we find that the Company's proposed rate should be approved. While the Commission recognizes the importance of costs, when dealing with a charge such as this, other factors, including impact on the customer and load management, must also be considered. Approval of an excess off-peak demand charge that is less than the on-peak demand charge should help the Company's load management program. At the same time, however, we do not want the rate set at a level that may encourage inefficient use of energy. The Commission directs the Company to study and analyze this charge and to set forth in its next rate application the basis for this charge, in detail, so that the Commission can consider this issue more fully.

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[3]See, Application of Appalachian Power Company, 1983 S.C.C. Ann. Rptr. 360 (February 23, 1983); Application of Appalachian Power Company, 1987 S.C.C. Ann. Rptr. 244 (April 16, 1987); and, Application of Appalachian Power Company, 1991 S.C.C. Ann. Rptr. 287 (May 13, 1991).

[4]In Case No. PUE920041, Application of Virginia Electric and Power Company, (Final Order, February 3, 1994) the Commission noted that the traditional use of 25 basis point increments in setting the point within the equity range at which to fix rates was not mandatory. Here, as in that case, we find the use of a 10 basis point increment an appropriate refinement of the program.

Cost Studies

The Staff requested, and the Company agreed, to prepare a number of cost studies for submittal with its next rate filing. The Examiner recommended the Company prepare and file five enumerated studies prior to its next rate case. In its exceptions, Appalachian requested not less than 12 months to complete and file the studies, rather than being required to file the studies with its next rate filing and that it not be required to file any study at this time on the potential allocation issues and methodologies for apportioning compliance costs associated with the Clean Air Act Amendments of 1990. The Commission directs the Company to file the first four studies listed at pages 44-45 of the Examiner's Report, the ratchet study, the excess off-peak demand charge study, and a study of a potential surplus energy rate with its next rate application. The Clean Air Act Amendment cost study will be deferred.

Accordingly, IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner's February 18, 1994 Report are, as modified herein, adopted;

(2) That the Company shall forthwith file revised tariffs designed to produce $17,874,539 in additional gross annual revenues for service rendered on and after May 4, 1993;

(3) That the Company, in its revised tariffs follow the revenue apportionments attached hereto;

(4) That the Residential Storage Water Heater program, modified as recommended in the Examiner's Report of February 18, 1994, is approved;

(5) That the Company prepare and file the cost studies directed herein prior to its next rate filing;

(6) That the Company capitalize the costs associated with the Marketing, Accounting, Customer Service System on its books and amortize those costs over a 20 year period;

(7) That on or before September 1, 1994, Appalachian shall refund, with interest, all revenues collected from the application of the interim rates made effective for service beginning May 4, 1993, to the extent that such revenues exceeded, on an annual basis, the revenues which would have been produced by the rates approved herein;

(8) That interest upon such refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates, for the three months of the preceding calendar quarter;

(9) That the interest required to be paid shall be compounded quarterly;

(10) That the refunds ordered in paragraph (7) above may be accomplished by credit to the appropriate customer's account for current customers (each 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. Appalachian 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. Appalachian may retain refunds owed to former customers when such refund is less than $1.00; however, Appalachian 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;

(11) That on or before October 1, 1994, Appalachian shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this order and itemizing the costs of the refund and account charged. Such itemization of costs shall include, inter alia, computer costs, the personnel hours, associated salaries and cost for verifying and correcting the refund methodology and developing a computer program;

(12) That Appalachian shall bear all costs of the refunds directed herein; 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.

NOTE: A copy of Attachment A entitled "Apportionment of Approved Increase" 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. PUE930004
MARCH 21, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
BARBARA H. LINDEN, et al.,
Petitioners,
v.
SHENANDOAH VALLEY ELECTRIC COOPERATIVE,
Respondent.

FINAL ORDER

On December 2, 1992, Barbara H. Linden and Judith H. Hughes, Ms. Linden's sister (hereafter collectively referred to as "Petitioners"), filed an informal complaint with the State Corporation Commission ("Commission"), challenging Shenandoah Valley Electric Cooperative's ("Shenandoah" or "Cooperative") seasonal residential rate schedule. The seasonal rate schedule, Schedule S-3, applies to customers of the Cooperative with "single-family, non full-time, seasonal residences (cottages and camps)". The Petitioners' complaint alleges, among other things, that the "seasonal" definition is "arbitrary, illogical and inequitable" and "unfairly discriminates against . . . customers who own a second home . . . ." The Petitioners request, among other things, that their electric account be reclassified as a "residential account" and that they be granted a refund based on the difference between the seasonal and residential rates since May, 1992.

On January 22, 1993, the Petitioners requested that their complaint against Shenandoah be treated as a formal complaint. On February 5, 1993, the Commission docketed the matter and invited Shenandoah to file a response to the complaint. On March 19, 1993, Shenandoah filed an Answer to the Complaint and requested the Commission to dismiss the Petitioners' complaint, to reaffirm the current S-3 tariff classification, and to authorize the continuation of the Petitioners' account status as Schedule S-3 customers.

On April 19, 1993, and August 9, 1993, Petitioners filed a response and supplemental response, respectively, to Shenandoah's responsive pleading. In their supplemental response, the Petitioners maintained that the seasonal rate discriminated against non-residents in violation of the Virginia Constitution and the Equal Protection and Privileges and Immunities clauses of the U.S. Constitution. They renewed their request for the relief set out in their original complaint.

On July 15, 1993, the Commission assigned the matter to a hearing examiner and scheduled a hearing to commence on July 29, 1993, to receive evidence on the complaint.

On the appointed day, the matter came for hearing before Glenn P. Richardson, Hearing Examiner. Counsel appearing were: Ms. Barbara H. Linden, counsel for the Petitioners; Dale A. Davenport, counsel for Shenandoah; and Robert M. Gillespie and Sherry H. Bridewell, counsel for the Commission. During the hearing, the Cooperative presented the testimony of Allen R. Ritchie, Manager of Administrative Services for the Cooperative, and Rosemary Henderson of the Commission's Division of Energy Regulation testified at the Examiner's request. The Petitioners chose to present no witnesses. At the conclusion of the hearing, the Hearing Examiner invited the participants to file post-hearing briefs. The Petitioners and Shenandoah filed briefs.

On November 10, 1993, the Hearing Examiner filed his Report in the captioned matter. In his Report, the Hearing Examiner examined the Petitioners' claim that the Schedule S-3 rate was unconstitutional under the Privileges and Immunities and Equal Protection Clauses of the U.S. Constitution. He concluded that Article IV, § 2 of the U.S. Constitution was designed to ensure that one who does not reside in Virginia enjoys the same privileges and immunities granted Virginia citizens, recognizing that different treatment is permitted under certain circumstances.

The Examiner concluded that Schedule S-3 was not unconstitutional under the Privileges and Immunities clause. He noted that all Shenandoah customers, whether residents or non-residents of Virginia, are treated the same and pay the same rates for electric service, and he further recognized that there is a reasonable and permissible basis to charge persons who do not permanently occupy their home on a year-round basis a different rate. According to the Examiner, cost-based ratemaking is designed to ensure that every customer pays his or her fair share of the costs incurred by a utility to supply electricity and to prevent cross-subsidies between different customer classes. The Hearing Examiner explained that customers who place greater loads on a utility's system over a short or more sporadic time frame, i.e., low load factor customers, generally cause a utility's demand costs or purchased power costs to be higher than they otherwise would be.

With regard to the Equal Protection clause, the Examiner observed that the Schedule S-3 rate does not distinguish between residents and non-residents per se. He noted that Petitioners were being charged a higher rate to cover the additional costs Shenandoah states are being incurred to serve seasonal or part-time customers. The Examiner concluded that Shenandoah's seasonal rates did not violate the Equal Protection clause because the seasonal rates were rationally related to a proper legislative purpose of ensuring that each customer class is charged rates and charges sufficient to allow Shenandoah to recover its cost of service, and all persons with the seasonal rate class are treated equally.

The Examiner also reviewed the testimony of Mr. Ritchie and Ms. Henderson regarding the cost to the Cooperative to provide service to seasonal customers. Based on his analysis of the evidence presented in this case, the Examiner recommended that the Commission enter an order adopting the findings in his Report and dismissing Petitioners' complaint.

On November 30, 1993, Petitioners filed comments in response to the Hearing Examiner's Report. In their comments, Petitioners asserted that Shenandoah's practice of separating one group of customers based on the location of their permanent residence is unjustly discriminatory, not supported by cost data, was instituted without Commission review, and did not justify the use of residence in the interpretation of the term "seasonal" in the tariff.

NOW THE COMMISSION, upon consideration of the complaint, the record herein, the Hearing Examiner's November 10, 1993 Report, the comments thereto, and the applicable law, is of the opinion and finds that the Hearing Examiner's recommendation to dismiss the Petitioner's complaint should be adopted.

In adopting the Examiner's recommendation, it is significant that Petitioners presented no testimony or cost studies supporting their claim or rebutting the evidence presented by the Cooperative at the hearing convened in this case. As the Hearing Examiner observed, the burden of proof in this matter rests upon the party challenging the justness and reasonableness of Schedule S-3. See Central Va. Electric Coop. v. State Corp. Comm'n, 221 Va. 807, 814-15 (1981). In this case Petitioners had the burden of proof and failed to meet it. Further, the testimony of witnesses Ritchie and Henderson does not support Petitioners' case. Finally, we find no merit in the constitutional claims raised by Petitioners.

While we find that Petitioners did not carry their burden of proof in this case, we have a continuing interest in ensuring that a cooperative's rate classifications are properly defined and that rates for each class are properly designed. Section 56-234 of the Code of Virginia, for example, requires public utilities to charge uniformly all persons using service under like conditions, and the Commission may consider a broad range of factors in establishing just and reasonable rates. See Sec. of Defense v. C&P Tel. Co., 217 Va. 149, 152-53 (1976). Since it has been some time since the Cooperative has specifically analyzed, in detail, the customer classifications and rate design contained in Schedule S-3, we find it proper to direct Shenandoah to conduct a study which evaluates this rate classification and its rate design, the cost of service for and pricing of the schedule, as well as the usage characteristics of the customers served by this rate. Shenandoah should also evaluate the customer classification, costs and rate design of the schedule in comparison to the Cooperative's residential schedule. This study should be filed with the Division of Energy Regulation on or before May 31, 1994. To ensure that the study addresses all aspects of these matters in a timely and comprehensive manner, we direct the Cooperative to consult with the Staff prior to an during the preparation of the study. Further, we direct our Division of Energy Regulation Staff to file a report with the Commission, analyzing Shenandoah's study and making such recommendations as it believes appropriate.

Accordingly, IT IS ORDERED:

(1) That Petitioners' complaint is dismissed;

(2) That, on or before May 31, 1994, the Cooperative shall file a study with the Division of Energy Regulation, addressing the issues related to Schedule S-3 identified herein;

(3) That, on or before July 25, 1994, the Staff shall file a report with the Commission, analyzing Shenandoah's study and making such recommendations as it believes appropriate; and

(4) That the papers filed in this proceeding be placed in the Commission's file for ended causes.

CASE NO. PUE930010
NOVEMBER 7, 1994

APPLICATION OF
WARWICK MOBILE HOME ESTATES, LTD.

For a certificate of public convenience and necessity

ORDER GRANTING REQUEST TO WITHDRAW APPLICATION

On February 10, 1993, Warwick Mobile Home Estates, Ltd. ("Warwick" or the "Partnership") filed an application for a certificate of public convenience and necessity. In its application the Partnership requested authority to provide water and sewer service to approximately 600 customers in the Warwick Mobile Homes Estates trailer park in the City of Newport News, Virginia.

On June 27, 1994, Warwick requested, pursuant to Virginia Code § 56-1.2, permission to withdraw its application. Section 56-1.2 provides an exemption to the statutory definition of a "public utility" which also results in an exemption to the statutory requirement of certification.

Section 56-1.2 imposes on a utility service provider certain conditions that must be met to qualify for such an exemption. These conditions are that the provider purchase water from a public utility, public service corporation, public service company, county, city or town, or other public regulated political subdivision and that such provider charge its residents or tenants only that portion of utility charges for water as permitted by § 55-248.45:1. Section 55-248.45:1 allows a provider to charge for resale of utility service if the amount does not exceed the provider's actual charge and the provider does not charge a separate fee for the reading of meters.

On October 28, 1994, Staff filed a report in the above-referenced matter. In its report, Staff noted that the Partnership purchases its water from Newport News Waterworks; does not charge its customers any more for water or sewer service than what it is charged; and does not charge a separate fee for the reading of meters. Staff also noted that it is standard practice in the sewerage industry to base the charges for sewer service on customers' water usage. Staff therefore recommended that Warwick's request to withdraw its application be granted.

NOW THE COMMISSION, having considered Staff's report, is of the opinion that Warwick is exempt from the statutory definition of a "public utility" and from the requirement of certification pursuant to § 56-265.3. It is therefore appropriate for Warwick to withdraw its application. Accordingly,

IT IS ORDERED:

(1) That Warwick's request to withdraw its application for a certificate of public convenience and necessity be, and hereby is, granted; and

(2) That there being nothing further to be done in this proceeding, the 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. PUE930011
JANUARY 4, 1994

APPLICATION OF
COMMONWEALTH PUBLIC SERVICE CORPORATION

For a general increase in rates

FINAL ORDER

Before the Commission is the application of Commonwealth Public Service Corporation ("Commonwealth") for a general increase in rates. In its application filed February 10, 1993, Commonwealth proposed revisions in its rates and charges which would increase annual operating income by $93,625. Commonwealth also proposed revisions in its general rate design and its terms and conditions of service. The Commission suspended the proposed revisions in rates and charges through July 22, 1993, and scheduled a public hearing before a hearing examiner. As authorized by law, Commonwealth put its proposed rates into effect, under bond, for service rendered on and after July 23, 1993. The hearing was held on October 4, 1993. No protestants or intervenors participated in the proceeding.

On December 1, 1993, Senior Hearing Examiner Glenn P. Richardson filed his report with the Clerk of the Commission. In summary, Examiner Richardson recommended granting Commonwealth's application to the extent that revised rates and charges generating $69,936 in additional annual gross revenues should be approved. No comments on the report were filed. For the reasons discussed in this order, the Commission will adopt Examiner Richardson's recommendations.

In his report, Examiner Richardson noted that Commonwealth and the Commission Staff reached agreement on most accounting, financial, and rate design issues raised in the case. Testimony and exhibits previously filed were admitted into evidence with limited cross examination. Examiner Richardson identified and resolved three outstanding financial and accounting issues. First, the Staff proposed reducing Commonwealth's test year expenses to remove promotional advertising expenses as required by the Commission in In re: Investigation of Conservation and Load Management Programs, 1992 S.C.C. Ann. Rep. 261. Commonwealth opposed this adjustment on the grounds that the Commission rendered its decision in that proceeding during the test year, and the Company should not be penalized for that change in policy. Examiner Richardson declined to accept Staff's adjustment in light of the relatively small dollar amount involved and the impact of removal of this sum from the advertising budget on a prospective basis. The next issue involved the appropriate cost rate for bridge financing. While the Staff used the same rate for bridge financing in the capital structure as applied to the company's short-term debt, Commonwealth advocated use of the actual rate on borrowing used to retire the bridge financing. Examiner Richardson recommended adopting the company's position as more reflective of Commonwealth's actual cost during the rate year. Finally, Commonwealth advocated using the same return on equity, 11.75 percent, awarded to its parent, Roanoke Gas Company, in its last rate case. The Staff presented testimony showing that a reasonable return on equity was in a range of 10.6 percent to 11.6 percent and recommended use of midpoint of the range, 11.1 percent in determining Commonwealth's overall rate of return. Examiner Richardson adopted the Staff's proposal since it was more reflective of current market conditions.

In addition to these accounting and financial issues, Commonwealth and Staff also differed over the design of certain proposed charges. Commonwealth proposed to increase the GS-2 customer charge to $20 per month and the ISS customer charge to $100 per month. Citing concerns with cost studies used to develop these proposed charges and impact on ratepayers, the Staff proposed a GS-2 customer charge of $15 per month and an ISS customer charge of $60 per month. Examiner Richardson adopted the Staff proposal.

In addition, the Examiner found as follows:

(1) The use of a test year ending September 30, 1992, is proper in this proceeding;

(2) Commonwealth's test year operating revenues, after all adjustments, were $1,195,568;

(3) Commonwealth's test year operating revenue deductions, after all adjustments, were $1,183,884;

(4) Test year net operating income and adjusted operating income, after all adjustments, were $11,684 and $11,128, respectively;

(5) Commonwealth had a rate of return on adjusted rate base of 1.784 percent and a return on equity of -0.191 percent for the test year;

(6) Commonwealth's current cost of equity is within a range of 10.60 percent to 11.60 percent, and its rates should be established using the 11.10 percent midpoint of the equity range;

(7) Commonwealth's overall cost of capital, using the midpoint of the equity range found appropriate herein, is 8.939 percent;

(8) Commonwealth's adjusted test year rate base is $623,816;

(9) Commonwealth's requested increase of $93,625 in additional gross annual revenues is unjust and unreasonable because it would generate a return on rate base greater than 8.939 percent;

(10) Commonwealth requires $69,936 of additional gross annual revenues to earn an 8.939 percent return on rate base;

(11) Commonwealth's revenue allocation, rate design, and terms and conditions of service should be modified in accordance with the Staff's recommendations; and

(12) Commonwealth should be required to promptly refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable herein.

The hearing examiner then recommended that the Commission enter an order adopting these findings and granting Commonwealth's proposed increase in rates as modified.

After considering the record developed in this proceeding and Examiner Richardson's Report, the Commission concludes that the findings and recommendations made by the hearing examiner are reasonable and should be adopted. Accordingly,

IT IS ORDERED:

(1) That the findings and recommendations of Senior Hearing Examiner Richardson, as stated in his report of December 1, 1993, be adopted;

(2) That Commonwealth's application for a general increase in rates be granted to the extent found reasonable herein;

(3) That, forthwith upon receipt of this order, Commonwealth shall file a revised tariff designed to produce $69,936 of additional gross annual revenues;

(4) That the revised tariff shall incorporate Staff's recommendation on rate design and charges as approved herein;

(5) That, on or before March 15, 1994, Commonwealth shall refund with interest, as directed below, all revenues collected from application of the rates placed in effect under bond on July 23, 1993, to the extent such revenues exceed revenues which would have been produced from the rates approved herein;

(6) That 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) That 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 mailed 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 Sec. 55-210.6:2;

(8) That, on or before May 1, 1994, 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) That Commonwealth shall pay all costs of the refunds directed in this order; and

(10) That this matter be dismissed from the Commission's docket of active cases and the papers placed in the files for ended proceedings.

CASE NO. PUE930014
JANUARY 19, 1994

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For an expedited increase in electric rates

FINAL ORDER

On February 18, 1993, Central Virginia Electric Cooperative ("CVEC" or "the Cooperative") filed an application with the State Corporation Commission ("Commission") for an increase in its rates under the procedure adopted by the Commission on April 11, 1985, permitting expedited rate relief for electric cooperatives whose rate applications satisfied certain conditions. Among other things, these conditions include the following:

(1) The rate increase shall not produce (a) a pro forma Times Interest Earned Ratio ("TIER") in excess of 2.5 times, or (b) additional revenues in excess of 10% of annual adjusted revenues, whichever is less; and

(2) The rate increase shall be based on a twelve month test period and shall be calculated based on the test period per book results, which shall be adjusted for such pro forma and annualized adjustments as have been approved by the Commission in electric cooperatives' general rate cases.

In its application, the Cooperative requested an increase in additional gross annual revenues of $2,203,975, an increase of 8.79%, after the Cooperative's Schedule A accounting adjustments, over present base revenues. The Cooperative filed financial and operating data for the test year ending October 31, 1992, in support of its application. In addition, the Cooperative proposed various changes to its Terms and Conditions of Service. Among other things, CVEC proposed to amend its Terms and Conditions of Service to give the Cooperative the option to continue bimonthly meter readings while billing

monthly. The Cooperative also proposed to base customers' contributions for line extensions on Standard Unit Costs, i.e., the average unit costs of the construction based on the Cooperative's most recently calculated twelve month period, including costs of all materials, labor and overhead as set forth in REA's accounting procedures. Further, CVEC proposed to charge $25 for a new service, i.e., after hours reconnections of service. Prior to its application, CVEC did not reconnect customers after the Cooperative's business hours. In addition, CVEC proposed to amend its Terms and Conditions to credit interest earned on a customer's deposit to the customer's electric account rather than refunding these amounts directly to the customer. Finally, the Cooperative proposed to amend its Terms and Conditions of Service addressing right-of-way procurement.

The Cooperative initially proposed that its increase and tariff revisions be made effective for meter readings on and after May 1, 1993. Subsequently, the Cooperative, by counsel, advised that as a result of software problems the Cooperative intended to delay implementation of its revised monthly billing procedures until December 1, 1993.

Only one letter commenting on the Cooperative's application and requesting a hearing was filed with the Commission. On May 20, 1993, the request for hearing was withdrawn.

On July 19, 1993, the Commission's Staff filed its Report in the captioned matter. In its Report, the Staff determined that based on its adjustments, a $2,190,844 revenue requirement was necessary for CVEC to earn a 2.5 modified TIER. It observed that the Cooperative had requested an increase of $2,203,975 but suggested that it might not be cost beneficial to require CVEC to refund the $13,131 difference, calculated on an annualized basis, between $2,190,844 and $2,203,975 to its members. In addition, the Staff recommended that CVEC expense medical and health costs and payroll taxes using the same percentage by which payroll was expensed. Staff also proposed that the Cooperative book an adjusting entry to defer rate case expenses in Account No. 186 and amortize unrecovered rate case expenses over a two-year period beginning with the rate year.

With respect to CVEC's proposed revenue apportionment and rate design, the Staff noted that the revenue increases proposed for CVEC's retail classes were apportioned among classes in approximately the same percentages as approved by the Commission in the Cooperative's last general rate case. It observed that the increase in individual prices within a rate were set at approximately the same percentage as the increase allocated to the class. The Cooperative did not propose to roll the effects of its current wholesale power riders into base rates. Wholesale power riders APCO-8, VEPCO-3, VEPCO-4, VEPCO-9 and SEPA resulted from increases in wholesale power costs passed on to CVEC by its power suppliers since CVEC's last rate filing. These riders are currently being billed to consumers. The Staff recommended that these riders be rolled-in to base rates.

Staff took issue with several of CVEC's proposed revisions to its Terms and Conditions of Service. With respect to CVEC's proposed billing procedure, the Staff recommended that if a CVEC customer challenged an estimated bill for service, the Cooperative suspend collection action against the customer until an actual meter reading is made and the customer's bill adjusted. The Staff also objected to CVEC's proposed charge for after hours reconnections because it was not supported by cost data in the application and because the Staff believed this change could not have been made under Va. Code § 56-40. The Staff explained that it had not been its practice to entertain major changes in a cooperative's terms and conditions of service in an expedited rate case but to allow tariff revisions which could have been implemented under Virginia Code § 56-40 without notice.

With respect to interest on customer deposits, the Staff recommended that CVEC provide each customer with a statement when he initially pays a deposit, indicating the customer's preference as to the disposition of interest amounts. Finally, the Staff recommended that CVEC's Terms and Conditions of Service remain unchanged with respect to the acquisition of right-of-way. Staff stated that the Cooperative should continue to make the initial contact with property owners for acquisition of right-of-way, with the consumer assisting CVEC only if the Cooperative required assistance.

On August 3, 1993, CVEC, by counsel, filed a motion to file rebuttal testimony in the proceeding, and proffered the rebuttal testimony. This testimony accepted most of the Staff's recommendations regarding the Cooperative's application, but rebutted Staff's recommendation that the Commission deny approval of CVEC's proposed $25 charge for after hours reconnections.

On November 3, 1993, the Cooperative, by counsel, petitioned the Commission to make its increase in rates and the changes in its Terms and Conditions of Service permanent without hearing.

NOW, upon consideration of the record herein and the applicable statutes, it appears that the only issue in controversy is whether CVEC's proposed $25 charge for after hours reconnections should be approved in this proceeding. We believe that it should be. The rate case rules applicable to cooperatives do not expressly bar such changes, and the Cooperative's testimony indicates that the costs for after hours connections exceed the $25 proposed charge. Accordingly, we find this new service and its accompanying charge to be reasonable and will allow this tariff to take effect on a permanent basis.

The Commission further finds:

(1) That the twelve months ending October 31, 1992, is an appropriate test period;

(2) That the Staff's accounting adjustments and booking recommendations are just and reasonable and should be accepted;

(3) That the Cooperative's jurisdictional test period operating revenues, after all adjustments, were $24,535,663;

(4) That the Cooperative's jurisdictional total operating expenses for the test period, after all adjustments, were $23,093,519;

(5) That the Cooperative's operating margins - adjusted, after all adjustments, were $1,437,844 for the test period;

(6) That CVEC's total margins, after all adjustments, were $151,861, for the test period;

(7) That the Cooperative earned a return on rate base of 4.32%, an actual TIER of 1.10 and a modified TIER of 1.08 during the test period;

(8) That the Cooperative requires an increase in operating revenues of $2,190,844, exclusive of the roll-in of riders;

(9) That the Cooperative's requested increase in revenues of $2,203,975 differs from the additional operating revenues authorized herein by $13,131 annually, and it is not cost effective to order the refund of this de minimis amount;

(10) That the Staff's recommendations regarding CVEC's Terms and Conditions of Service, with the exception of the Staff's recommendation regarding the $25 charge for after hours reconnections, are reasonable and should be adopted;

(11) That the Cooperative should roll Riders APCO-8, VEPCO-3, VEPCO-4, VEPCO-9 and SEPA into its base rates;

(12) That CVEC's motion to receive its prefiled rebuttal testimony should be granted; and

(13) That CVEC's rates and Terms and Conditions of Service, as revised by Staff but including the after hours reconnection charge, are reasonable and should be made permanent.

Accordingly, IT IS ORDERED:

(1) That, consistent with the findings made herein, the Cooperative shall forthwith file revised permanent tariffs with the Commission designed to produce $2,190,844 in additional gross annual revenues and shall roll-in Riders APCO-8, VEPCO-3, VEPCO-4, VEPCO-9 and SEPA into base rates, effective for service rendered on and after the date of the entry of this Order;

(2) That the Cooperative shall implement the booking recommendations proposed by Staff, and the changes to CVEC's Terms and Conditions of Service recommended by Staff, with the exception of the Staff's recommendation regarding after hours reconnections, effective as of the date of this Order;

(3) That the Cooperative's after hours reconnection charge is authorized;

(4) That the Cooperative's motion to receive its rebuttal testimony is hereby granted, and its rebuttal testimony shall be made a part of the record herein; and

(5) That there being nothing further to be done herein, this matter shall be dismissed and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUE930016
MAY 17, 1994

APPLICATION OF
ROANOKE GAS COMPANY

For a general rate increase

FINAL ORDER

On March 1, 1993, Roanoke Gas Company ("Roanoke" or "the Company") filed an application for a general increase in its rates designed to produce additional annual revenues of $1,301,423 based on a test year ending September 30, 1992. The application also proposed changes in the Company's allocation of its cost of service between rate blocks and in its rate design. Upon request of the Commission's Staff, Roanoke filed revisions in various schedules to its application on March 9, 1993. As the effective date of Roanoke's last rate increase was August 30, 1992, the Company requested that its proposed rates and charges be allowed to become effective September 1, 1993.

On June 11, 1993, the Commission entered an order suspending the proposed rate increase until September 1, 1993. By that same order, the Commission directed the Company to provide notice of its application, set the matter for hearing before a hearing examiner on October 20, 1993, and established a procedural schedule for the filing of pleadings, prepared testimony and exhibits.

On August 9, 1993, Roanoke filed an executed bond and advised the Commission that it would place its proposed rate charges, rules and regulations of service into effect for service rendered on and after September 1, 1993. By Ruling dated August 11, 1993, the bond was accepted and filed with the Clerk of the Commission.

On the appointed day the matter came to be heard before Hearing Examiner Howard P. Anderson, Jr. Counsel appearing were Wilbur Hazlegrove for the Company and Judith W. Jagdmann for the Commission's Staff. No public witnesses appeared at the hearing.

At the hearing several issues remained in controversy. There were accounting issues relating to proper calculation of the Company's rate base and the appropriate level of Roanoke's revenues and expenses. There were also issues relating to the cost of bridge financing, equity flotation costs, return on equity, and the appropriate rate design for the Company's commercial customer classes.

It was the Company's position that Roanoke's original cost rate base as of June 30, 1993, should be reconciled with its March 31, 1993 capital structure. It was also the Company's position that the following accounting adjustments proposed by Staff were improper: specifically, the adjustment disallowing advertising expense; the adjustment including revenue received from East Tennessee Natural Gas Company ("ETNG") for transportation service pursuant to an agreement terminated March 31, 1993; the adjustment reducing Roanoke's cost of service and rate base for merchandising and jobbing ("M&J") activities; and the adjustment excluding $22,000 in salary and fringe benefits for an employee scheduled to commence employment November 7, 1993.

Staff maintained that it was improper to reconcile the Company's rate base and capital structure. Moreover, Staff opposed the Company's proposals to calculate the cost of bridge financing at 5% effective October 18, 1993, and to increase the Company's return on equity to 11.47% in recognition of certain risk factors. It was also Staff's position that a weighted flotation factor should be applied to each cost of equity methodology. Staff recommended that Roanoke receive a $508,231 increase in annual operating revenues based on the midpoint of a return on equity range of 10.50 to 11.50 percent.

On March 24, 1994, the Examiner filed his Report. In his Report, the Examiner addressed the issues in controversy and specifically found:

1. The use of a test year ending September 30, 1992, is proper in this proceeding;

2. Roanoke's test year operating revenues, after all adjustments, were $38,404,242;

3. Roanoke's test year operating revenue deductions, after all adjustments, were $35,842,857;

4. Roanoke's test year net operating income and adjusted operating income, after all adjustments, were $2,561,385 and $2,436,486 respectively;

5. Roanoke's current rates produced a return on adjusted rate base of 8.55% and a return on equity of 7.54%;

6. Roanoke's current cost of equity is within the range of 10.50% to 11.50%, and the Company's rates should be established based on the 11.00% midpoint of the equity range;

7. Roanoke's overall cost of capital, using the midpoint of the equity range, 10.50% to 11.50%, is 9.966%;

8. Roanoke's adjusted test year rate base is $28,491,642;

9. Roanoke's application requesting $1,301,423 in additional gross annual revenues is unjust and unreasonable because it will generate a return on rate base greater than 9.97%;

10. Roanoke requires $630,173 in additional gross annual revenues to earn a 9.97% return on rate base;

11. Roanoke's revenue allocation, rate design, and terms and conditions of service should be modified in accordance with the Staff's recommendation and the recommendations contained in this Report; and

12. Roanoke should be required to promptly refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable herein.

The Examiner recommended that the Commission enter an order adopting the findings in his Report, granting Roanoke an increase in gross annual revenues of $630,173, and directing the prompt refund of all amounts collected under the interim rates in excess of the rate increase found just and reasonable. There were no comments or exceptions filed to the Examiner's Report.

Having considered the record, the Examiner's Report, and the comments thereon, the Commission is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be adopted, except for the analysis of Roanoke's advertising expenses which warrants further discussion.

Commission Staff recommended that $20,006 of Roanoke's advertising expense be removed from the Company's cost of service, because the advertising did not promote conservation and load management programs. The Hearing Examiner rejected Staff's adjustment. We agree with the Examiner's result. On March 27, 1992, the Commission outlined its Rules Governing Utility Promotional Allowances in Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In re, Investigation of Conservation and Load Management Programs, 1992 S.C.C. Ann. Rept. 261 ("CLM Order"). In the CLM Order, the Commission held that only advertising expenses incurred to promote cost effective conservation and load management programs can be recovered from ratepayers.

It does not appear that the Company met the burden of proof set forth in the CLM Order which requires utilities to establish that their advertising promotes cost effective CLM programs and is not designed primarily to increase load or market share. In Application of Virginia Natural Gas, Inc., For a general increase in rates, Case No. PUE920031 (June 22, 1993) and Application of Commonwealth Gas Services, Inc., For a general increase in rates, Case No. PUE920037 (October 15, 1993) the Commission allowed recovery of advertising expenses which did not meet the burden of proof set forth in the CLM Order. These expenses were allowed because the CLM Order was issued "after the time the Company had begun preparing its case. . . . Therefore . . . [the Commission was] not inclined to apply the CLM decision to data collected before that decision was rendered." Id. at 5.

We note that the CLM Order was issued halfway through the Company's test-year, leaving Roanoke little time to change its advertising strategy. Consistent with our reasoning in Virginia Natural Gas and Commonwealth, we are not inclined to apply the CLM Order to a test year which was half completed when the decision was rendered. In the future, we will expect stricter proof on these issues. Applicants should be guided by our CLM Order in not only developing their advertising programs but also preparing their rate case data. Failure to provide evidence of compliance with the CLM Order could require a future disallowance of all such advertising expenses.

NOW THE COMMISSION, having considered the application and the record, is of the opinion that the Examiner's findings and recommendations, as modified herein, should be adopted. Accordingly,

IT IS ORDERED:

(1) That the findings and recommendations of the Report are hereby accepted;

(2) That, consistent with the findings made herein, Roanoke shall file forthwith with the Division of Energy Regulation revised tariffs assigned to recover $630,173 in additional annual revenues, to be effective for service rendered on and after September 1, 1993;

(3) That, on or before September 30, 1994, Roanoke shall refund, together with interest as set forth below, all revenues collected from the application of the rates which were made effective, subject to refund, on September 1, 1993, to the extent that those revenues exceed the revenues which would have been collected by the application of the rates approved herein;

(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 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 3 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 a separately itemized credit to current customers' accounts. Refunds to former customers shall be by check to the customer's last known address when the refund exceeds $1.00. The Company may retain refunds to former customers which do not exceed $1.00. However, Roanoke shall maintain a list of such less than $1.00 refunds owed to former customers, and on request from the customer, make the refund;

(7) That on or before November 15, 1994, Roanoke shall file with the Commission's Staff a document showing that all refunds have been lawfully made pursuant to this Order itemizing the costs of the refund. Such itemization shall include, but not necessarily be limited to, computer costs, the manhours, associated salaries, and costs for verifying and correcting the refund methodology and for developing the computer programs associated with the refunds;

(8) That Roanoke shall bear all costs of the refund;

(9) That Roanoke shall forthwith implement the customer charges and usage rates approved herein; and

(10) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE930021
JUNE 27, 1994

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For an expedited increase in rates

FINAL ORDER

On March 24, 1993, Virginia-American Water Company ("Virginia-American" or "the Company") filed an application for an expedited increase in rates designed to increase the Company's annual operating revenues by $1,814,021 based on a test year ending December 31, 1992. The Company requested that its proposed rates be allowed to go into effect on an interim basis, subject to refund, for service rendered on and after April 24, 1993.

On April 20, 1993, the City of Hopewell ("Hopewell") filed a Motion to Dismiss or, in the Alternative, to Convert to a General Rate Case and Temporarily Enjoin Further Capital Expenditures Pending an Investigation ("Motion"). In support of its Motion, Hopewell argued that Virginia-American's application violated the Commission's Rate Case Rules for expedited proceedings because the Company had experienced a substantial change in circumstances since its last rate case. Hopewell stated that the Company's capital expenditures in Hopewell, its postretirement benefits other than pensions ("OPEB"), and its affiliate expenses represented that substantial change. Hopewell further argued that the application failed to comply with the filing requirements imposed by Schedule 24 ("Affiliate Transactions") and Schedule 18 ("Sales Volume by Customer Class for Test Period"). Hopewell therefore moved the Commission to dismiss the application due to the Company's failure to comply with the Rate Case Rules or, in the alternative, to convert the filing into a general rate case and to enjoin temporarily any further capital expenditures.

On April 22, 1993, the Company filed a Response to Hopewell's Motion, and Hopewell subsequently filed a Reply to the Company's Response on April 23, 1993. That same day the Commission entered an order denying Hopewell's Motion and allowing the Company to put its proposed rates into effect on an interim basis, subject to refund, for service rendered on and after April 24, 1993. The Commission found that the Company's application did not violate the Rate Case Rules and that the issues raised in Hopewell's Motion did not constitute sufficient grounds to dismiss or to convert the Company's application. Moreover, the Commission found that it would be improper to enjoin the Company from incurring any further capital expenditures.

On May 13, 1993, the Commission entered an order which scheduled the Company's application for hearing, directed the Company to provide public notice of its application, and established a procedural schedule for the filing of pleadings, prepared testimony and exhibits. Pursuant to that Order, the Company's application was scheduled for hearing on September 28, 1993.

The Company, in rebuttal testimony filed on September 20, 1993, agreed to most of the adjustments proposed by Staff, and consequently, reduced its proposed increase to $1,467,734. The Company proposed that its revised rate increase be allocated among its districts as follows: Alexandria - $834,979 (7.49%); Prince William - $297,886 (5.44%); and Hopewell - $334,869 (4.04%).

On the appointed day, the matter came to be heard before Senior Hearing Examiner, Glenn P. Richardson. Counsel appearing were Richard D. Gary and Charles H. Carrathers for the Company; Edward L. Flippen for Hopewell; Lewis R. Monacell for the Hopewell Committee for Fair Water Rates ("the

Committee"); Timothy M. Kaine for the City of Alexandria ("Alexandria"); and Deborah V. Ellenberg and Marta B. Curtis for the Commission's Staff. At the conclusion of the proceeding, the Hearing Examiner invited all participants to submit simultaneous briefs, which were subsequently filed on November 12, 1993.

At the hearing, several issues remained in controversy. The Company and Staff disagreed as to the Company's fuel and power expenses and the appropriate capital structure for the Company. Staff refused to adjust the Company's fuel and power expenses to recognize the interim rates placed into effect by Virginia Electric and Power Company ("Virginia Power") on October 27, 1992, in Case No. PUE920041. Staff also refused to accept the Company's proposed pro forma adjustments to its capital structure subsequent to the test year ending December 31, 1992. Staff took no position on an appropriate return on equity for the Company and relied on the 11.0% - 12.0% equity range approved in the Company's last general rate case. Staff recommended a revenue requirement of $1,344,886.

The Committee, Alexandria and Hopewell (collectively, "the Protestants") took issue with the Company's cost of equity and supported a return on equity range of 10.0% - 11.0%, recommending that the Company's revenue requirement be calculated using the 10.5% midpoint of that range. The Committee took issue with the Company's expenses associated with OPEB, management fees, fuel and power, and construction work in progress ("CWIP"). The Committee recommended that Virginia-American's proposed increase be reduced to $1,083,463 with only $83,999 of the increase allocated to the Hopewell rate district.

Alexandria proposed no specific revenue requirement but took issue with the Company's rate case expenses associated with Case No. PUE910028, the depreciation study costs incurred in Case No. PUE870101, and the increase in group insurance premiums effective October 1, 1993. By the close of the hearing most of the accounting issues raised by Alexandria were resolved to its satisfaction.

Hopewell opposed any increase in the Company's current rates and took issue with several large expense items, the most notable of which were affiliate expenses and OPEB costs. Hopewell also complained about the frequency and magnitude of the Company's rate cases since 1984. Hopewell requested that the Commission immediately conduct an investigation to review the reasonableness of the Company's affiliate charges and capital improvement projects in the Hopewell district. The Committee supported Hopewell's request in its closing brief.

On February 24, 1994, the Examiner filed his Report. In his report, the Examiner found that:

(1) the use of a test year ending December 31, 1992, is proper in this proceeding;

(2) the Company's test year operating revenues, after all adjustments, were $24,922,398;

(3) the Company's test year operating deductions, after all adjustments, were $19,819,560;

(4) the Company's test year net operating income and adjusted operating income, after all adjustments, were $5,102,838 and $5,093,943, respectively;

(5) the Company's current rates produce a return on adjusted rate base of 8.43%, and a return on equity of 8.20% during the test year;

(6) the Company's current cost of equity is within a range of 10.25% - 11.25%, and the Company's rates should be established using the 10.75% midpoint of the equity range;

(7) the Company's overall cost of capital, using the midpoint of the equity range found reasonable herein, is 9.362%;

(8) the Company's adjusted test year rate base is $60,441,682;

(9) the Company's application requesting $1,814,021 in additional gross annual revenues is unjust and unreasonable because it will generate a return on rate base greater than 9.362%;

(10) the Company requires $882,446 in additional gross annual revenues to earn a 9.362% return on rate base;

(11) the $882,446 rate increase should be allocated among the Company's three rate districts as follows: Hopewell -- $64,699; Alexandria -- $527,878; and Prince William -- $289,870;

(12) the Company should be directed to investigate its service charges and move the charges toward their actual cost in its future rate cases; and

(13) the Company and Staff should be directed to investigate the reasonableness and prudency of the Company's Hopewell construction expenditures and affiliate expenses, and report their findings to the Commission in the Company's next rate case.

The Examiner discussed in detail the issues in controversy and recommended that the Commission enter an order adopting the findings in his Report, granting the Company an increase in gross annual revenues of $882,446, and directing the prompt refund of all amounts collected under the interim rates in excess of the rate increase found just and reasonable.

On March 11, 1994, Virginia-American, by counsel, filed exceptions to the Hearing Examiner's February 24, 1994 Report. In its pleading the Company noted its exception only to the denial of all of the OPEB expenses in its cost of service. The Company argued that it had met its burden of proof as to the reasonableness of those expenses and that there was no credible evidence from Staff or other parties to contradict its calculation of OPEB cost estimates or the allocation of those costs from its parent company, American Water Works Company, Inc. ("American Water Works"). The Company also argued that it should be allowed to recover its entire OPEB expenses for the pro forma year of 1993 or, at a minimum, be allowed to recover those expenses for at least two quarters of the pro forma year. The Company suggested that certain specific language regarding deferral of the remaining costs be included in the Commission's final order in the event the Commission allowed recovery of OPEB expenses for only two quarters of 1993.

On the same day, counsel for Hopewell filed comments to the Hearing Examiner's Report, and counsel for the Committee filed comments and exceptions. In its comments, Hopewell stated that, while it took issue with certain specific findings of the Examiner, it accepted the Examiner's ultimate findings and recommendations. Hopewell stated that its acceptance was primarily due to the Examiner's finding and recommendation regarding an investigation of the Company's Hopewell construction expenditures and affiliate expenses.

In its comments and exceptions, the Committee agreed with the Examiner's findings and recommendations to exclude OPEB expenses from the Company's cost of service and suggested that, in the alternative, 75% of the accrual be deducted from the Company's rate base or be deferred. The Committee, however, took exception to the findings and recommendations relative to the Company's cost of equity and to the adjustments allowing pro forma management fees and pro forma CWIP and other pro forma rate base items.

Specifically, the Committee stated that the record supports a return on equity range of 10% to 11% based on the testimony of the Protestants' witness Parcell. The Committee argued that the testimony of Mr. Parcell should be given greater weight than the testimony of Virginia-American's cost of equity witness Trisko since the Company had failed to prove that Mr. Trisko was qualified to testify as a cost of equity expert.

The Committee also supported adjustments for management fees, CWIP, and other plant related items based on the Company's actual expenses at the end of the 1992 test year. The Committee urged the Commission to reject selected updates of plant as unrepresentative of the Company's ongoing cost of providing service. The Committee specifically noted that the Company's net utility plant had declined since the end of the test period.

NOW THE COMMISSION, upon consideration of the record developed herein, the Hearing Examiner's Report and the comments and exceptions thereto, is of the opinion that the findings and recommendations of the Examiner, as modified herein, are reasonable and should be adopted.

The Examiner properly rejected any allowance for the Company's estimated OPEB costs in this proceeding. The record reflects that Virginia-American failed to meet its burden of proof as to the reasonableness of those costs. Specifically, there is no evidence in the record as to how American Water Works derived its OPEB estimates or how the estimates were allocated to each of its affiliates, including Virginia-American. In addition, the testimony relating to the return on the Company's pension plan assets was contradictory and inconsistent.

We agree with the Examiner that the Company should be allowed to defer its OPEB costs on its books and records and seek recovery of the deferral in a future rate case. The Company's request for deferral recovery should be supported by a detailed explanation of estimated costs and a demonstration that the costs are reasonable. At the time the Company seeks recovery, the deferral should be included in the transition obligation and subjected to a forty-year amortization period. However, we disallow recovery of any carrying costs associated with the funding of OPEB accruals not included in rates which results from the Company's failure to meet its burden in this proceeding.

The Company is no longer required to seek recovery of its OPEB costs by December 31, 1994. It has met that deadline, established in our Final Order in Case No. PUE920003, by its filing in this proceeding. Deferral recovery will be permitted only upon a finding that the Company earned below its authorized range of return on equity during the deferral period. The Company's earnings position will be reviewed per books using an average rate base and capital structure with only the limited adjustments to place the books on a regulatory basis.

We will clarify our position relative to the required funding of OPEB accruals as referenced in our Final Order in Case No. PUE920003. Commonwealth of Virginia, ex rel. State Corporation Commission, Ex. Parte, In re: Consideration of a rule governing Accounting for Postretirement Benefits other than Pensions, Case No. PUE920003, 1992 S.C.C. Ann. Rep. 315 ("OPEB Rules"). Our Final Order states that the recovery of OPEB accruals in rates shall not be permitted unless fully funded. A showing of intent to fund OPEB accruals following the monthly or quarterly periods of recovery complies with the funding requirement established in our generic rulemaking proceeding. When OPEB accruals are included in rates, any lag in funding payments can and should be recognized as a reduction in a company's working capital allowance.

As indicated in the Hearing Examiner's Report, the Commission has approved rate base adjustments in the Company's past few rate cases to recognize post-test year additions to Construction Work in Progress (CWIP) for non-revenue producing plant items. In this case, the Staff proposed to include several such post-test period additions to non-revenue producing plant in rate base. In its rebuttal, the Company embraced the Staff's adjustment, and the Examiner recommended adoption of the adjustment in his Report. The Commission finds, however, that under the circumstances of this case, such an adjustment is not necessary. In contrast to past cases, the record herein reflects that the Company's net utility plant actually declined from the end of the test year through June 30, 1993, by more than half a million dollars. The post-test period CWIP adjustment would increase end of test year rate base by approximately half a million dollars, thus making the adjusted year end rate base more than $1 million higher than the actual June 30, 1993, rate base.

The post-test period CWIP adjustment was originally permitted during a period of heavy construction by the Company. As the Examiner notes, the adjustment was intended to recognize and offset, to some extent, the problems of earnings attrition because of increasing investment in plant. For other utilities, the Staff has performed, and the Commission has approved, a general rate base update to some point beyond the end of the test period to offset the effects of attrition. While many additions to utility plant produce additional revenues and support themselves to some extent, the intent of the Commission in permitting post-test period additions to CWIP was to permit Virginia-American to recover the carrying costs of its investment in plant that did not produce additional revenues. The assumption in permitting such an adjustment is that overall net utility plant is increasing and that part of the increase is due to the addition of non-revenue producing plant. In the instant case, the overall net utility plant has not increased, at least through June 30, 1993, and there is no reason to increase rate base selectively for non-revenue producing items.

In the future, any participant recommending additions to the end of test period rate base should demonstrate that, absent such adjustment, a utility will be unfairly deprived of a reasonable opportunity to recover carrying costs on new plant or construction projects.

We agree with the Examiner that an appropriate cost of equity range is 10.25%-11.25% and that the Company's rates should be established at the midpoint of the range, or 10.75%. Such a cost of equity is supported by the record and based on current market conditions. The record supports the Examiner's finding that witness Trisko has "sufficient knowledge, skill, and experience" to testify as a cost of equity witness. We believe that it is appropriate to include pro forma adjustment for the Company's management fees. The record reveals that such expenses were reasonable and ascertainable. 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, Company shall forthwith file revised tariffs designed to produce $756,943 in additional gross annual revenues apportioned among its operating districts as shown on the attached exhibit;

(3) That the Company and Staff investigate the reasonableness and prudency of the Company's affiliate expenses and Hopewell construction expenditures and report their findings to the Commission as soon as reasonably practicable, to be included in the Company's next rate case, if possible;

(4) That on or before October 31, 1994, Virginia-American shall complete the refund, with interest as directed below, of all revenues collected from the application of its proposed rates which became effective for service rendered on and after April 24, 1993, to the extent that such revenues exceed, the revenues which would have been collected by application, of the permanent rates to be filed in compliance with this Order;

(5) That the interest upon the refund ordered above shall be computed from the date payment of each monthly bill 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;

(6) That the interest required to be paid shall be compounded quarterly;

(7) That the refunds ordered in paragraph (3) above may be accomplished by credit to the appropriate customer's account for current customers. Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount owed is $1.00 or more. The Company may retain refunds owed to former customers when such refund amount 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, such refunds shall be made promptly;

(8) That on or before October 31, 1994, Virginia-American 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, computer costs, man-hours, associated salaries, costs for verifying and correcting the refund methodology, and the costs associated with developing the computer programs necessary to make the refunds;

(9) That the Company shall bear all costs of the refund; and

(10) That there being nothing further to be done herein; the same is hereby dismissed from the Commission's docket of active cases.

NOTE: A copy of the Exhibit entitled "Virginia-American Water Company Revenue Requirement" 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. PUE930021
JULY 18, 1994

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For an expedited increase in rates

AMENDING ORDER

On June 27, 1994, the Commission issued its Final Order in the above referenced proceeding. In that Order, the Commission directed Virginia-American Water Company ("Virginia-American" or "the Company") to file revised tariffs designed to produce $757,943 in additional gross annual revenues. In ordering paragraph (4) of that Order, the Commission directed the Company to refund, with interest, all revenues collected in excess of that amount from the application of rates effective for service rendered on and after April 24, 1993. Pursuant to ordering paragraph (4) of that Order, the refund was due to be completed on or before October 31, 1994.

By motion filed on July 13, 1994, Virginia-American, by its counsel, requests additional time to complete its refund. In its motion, the Company specifically requests the Commission to modify ordering paragraph (4) of its Final Order to substitute November 30, 1994, for the October 31, 1994 deadline.

In support of its request for additional time to complete the refund and for an amendment to our Final Order, the Company states that, due to the Company's quarterly billing system, the Company must initiate such refund by August 1, 1994, in order to accomplish the refund by the October 31, 1994 date. The Company also states that redesign of its rates and subsequent calculation of individual refunds and interest through the date of the refund will not be completed until some time in August. Virginia-American requests permission to commence its refund with the September 1, 1994, quarterly billing cycle which will be completed by November 30, 1994.

By letter dated July 13, 1994, the City of Hopewell, by its counsel, states that it has no objection to the Company's motion.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Company's request is reasonable and should be granted. Accordingly,

IT IS ORDERED:

(1) That ordering paragraph (4) of our Final Order dated June 27, 1994, be and hereby is amended to substitute November 30, 1994, for the October 31, 1994 date that Virginia-American's refund is due to be completed; and

(2) That there being nothing further to be done herein, the same is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUE930023
NOVEMBER 18, 1994

APPLICATION OF
UNITED CITIES GAS COMPANY

For an Annual Informational Filing

FINAL ORDER

On March 29, 1993, United Cities Gas Company ("United" or "the Company"), by counsel, filed a Motion with the State Corporation Commission ("Commission") requesting more time in which to file its Annual Informational Filing ("AIF"). On April 1, 1993, the Commission issued an Order that (1) granted the Motion on the condition that United's rates were declared interim and subject to refund with interest as of April 1, 1993; or (2) if the conditional grant of the motion was unacceptable to the Company, denied the Motion. By letter dated April 2, 1993, United Cities advised the Commission that it had no objection to its rates becoming interim as of April 1, 1993, and subject to refund with interest pending the final determination of the proceeding.

On April 30, 1993, United filed its AIF, which disclosed that the Company earned a 17.84% return on its common equity, per books for the test year ending December 31, 1992, well above its authorized range of return on common equity (12.5-13.5%).

Following completion of Staff's audit, Staff renewed[1] its Motion for Hearing, asserting that the Company's rates were excessive as shown in the Staff's Report filed on October 29, 1993. The Motion noted that the audit had discovered that United had used an incorrect gross receipts tax rate and special tax rates when grossing up its purchased gas costs to determine its purchased gas adjustment ("PGA") factor. As a result, the Company had overrecovered revenues through its PGA during the period between January, 1988 and July, 1993. The Motion stated Staff's intent to request refunds of those overrecoveries.

In its November 5, 1993 Order, the Commission ordered that a hearing on the Company's rates be convened on January 12, 1994, before a Hearing Examiner; established a procedural schedule for Company, Staff, Protestants, and intervenors; and directed the Company to give the public notice of the hearing and procedural schedule established therein.

On the appointed day the matter came for hearing before Deborah V. Ellenberg, Hearing Examiner. Counsel appearing were Richard D. Gary, Esquire and Charles H. Carrathers, III, Esquire, counsel for the Company, and William H. Chambliss, Esquire, and Sherry H. Bridewell, Esquire, counsel for the Commission Staff. No Protestants or intervenors appeared at the hearing.

During the hearing, the Examiner heard the testimony of seven witnesses regarding the justness and reasonableness of the Company's rates and the PGA issue. The Company urged the Commission to maintain a return on equity of 13% and asserted that its current rates continued to be just and reasonable. The Staff recommended a reduction of $415,850, exclusive of any PGA overcharges, in the Company's gross annual revenue requirement, based on a return on common equity of 10.70%. With respect to the PGA issue, the Staff urged that the Company refund the full amount of all overcollections made through the Company's PGA, with interest calculated at the Staff's recommended overall cost of capital of 10.061%. The Company asserted that it should not be required to make any refunds or reduce its rates, even if it were found to be overearning. Instead, it proposed to invest any excess earnings in a pipeline to provide gas service to Saltville, Virginia.

On July 21, 1994, the Hearing Examiner filed her Report in the captioned matter, making the following findings:

1. The use of a test year ending December 31, 1992, is proper in this proceeding;

2. The Company's test year operating revenues, after all adjustments, were $31,649,568;

3. The Company's test year operating deductions, after all adjustments, were $29,775,676;

4. The Company's test year net operating income and adjusted operating income, after all adjustments, were $1,873,892 and $1,821,176, respectively;

5. The Company's adjusted test period rate base, updated to March 31, 1993, is $16,199,298;

6. The Company's current rates produced a return on adjusted rate base of 11.24% and a return on equity of 13.72%;

7. The Company's cost of equity is within a range of 10.7% to 11.7%, and rates should be established at the midpoint of that range, 11.2%;

8. The Company's overall cost of capital is 10.261%;

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[1] Staff's Motion for Hearing, filed earlier, had been deferred pending completion of the Staff audit at the request of the Company.

9. The Company's current rates are unjust and unreasonable because they will generate a return on rate base greater than 10.261%;

10. The Company requires a reduction in gross annual revenues of $247,512 to earn a 10.261% return on rate base;

11. The Company should file permanent rates designed to produce the additional revenues found reasonable [in the Report];

12. The Company should be required to refund, with interest, all revenues collected under interim rates in excess of the amount found just and reasonable [in the Report];

13. The Company should be required to refund, with interest calculated at a rate of 10.261%, the overcollection resulting from application of the incorrect gross receipts tax and special use tax rates in its purchased gas adjustment from January, 1988 to July, 1993;

14. The Company should be allowed an extended refund period as described [in the Report] due to the magnitude of the refunds specified above; and

15. The Company should be required to:

    a) Establish and maintain a monthly payroll distribution detailing base and overtime payroll as it is expensed and capitalized in the general ledger.

    b) Expense payroll related items at the same percentage as payroll.

    c) Conduct time studies for persons who do not directly assign time and allocate their payroll based on the time study.

    d) Directly assign costs to Virginia whenever possible.

    e) Perform a jurisdictional allocation study for costs that are includable for Virginia ratemaking purposes but are not directly assignable to Virginia. In that study, the Company should first prepare an adjusted per books schedule removing costs that are not recoverable in Virginia prior to allocation.

    f) Expense corporate rent associated with use of the office space in Franklin, Tennessee.

    g) Capitalize property taxes associated with construction work in progress.

    h) Determine current and deferred federal income tax expense and deferred investment tax credit expense for the Virginia jurisdiction.

    i) Identify all ADFIT [accumulated deferred federal income taxes] to be directly assigned to Virginia. Exclude all non-recoverable items from ADFIT to be allocated to Virginia.

    j) Perform a lead-lag study including a balance sheet analysis and file it 60 days prior to its next rate case or its 1995 AIF, whichever comes first.

The Examiner recommended that the Commission: (i) adopt the Report's findings; (ii) reduce the Company's authorized gross annual revenue by $247,512; and (iii) direct the refund with interest of all amounts collected under the interim rates in excess of the rate levels found just and reasonable in the Report. The Examiner also recommended that revenues collected as a result of the application of the incorrect gross receipts tax and special tax rates in the purchased gas adjustment be refunded with interest.

On August 5, 1994, the Company filed Exceptions to the Hearing Examiner's Report. In its Exceptions, the Company took issue with the Examiner's treatment of the credit booked by the Company in 1992, relating to the Kansas/Missouri Safety Program; the costs arising from the noncompete/consulting agreement associated with acquisition of the Union Gas System; the Examiner's use of a test year level of injuries and damages, and her recommended use of the 7.1% plant allocation factor to allocate ADFIT.

Further, the Company stated that it could not complete a comprehensive lead-lag study 60 days prior to filing its next rate case or AIF. The Company requested that it be permitted to file its study at the same time it files its next rate application or 1995 AIF. The Company also requested the Commission to consider the public interest and public benefits associated with its Saltville proposal.

Finally, the Company did not oppose the Examiner's recommendation that it refund overcollections of gross receipts taxes through its PGA. However, it requested that it be permitted to complete this refund over a twelve-month period rather than the three-year period recommended by the Hearing Examiner. In addition, the Company requested that it be allowed to refund any excessive revenues through the PGA over a twelve-month period, citing its conversion of its billing system as requiring this method of refund. The Company asserted that after considering its recommended revisions to the Examiner's Report, its revenues should be reduced by no more than $107,297, exclusive of the PGA refund.

NOW, UPON consideration of the record developed herein, the Hearing Examiner's July 21, 1994 Report, the exceptions filed thereto, and the applicable law, we are of the opinion and find that the recommendations and findings of the Hearing Examiner should be adopted, with the exception of the Examiner's findings regarding the Kansas/Missouri Safety Program, the filing of a comprehensive lead-lag study, and the manner and timing for the refund of base rates and the refund for the PGA overcollection.

Expenses for the Kansas/Missouri Safety Program were erroneously allocated to Virginia. The Company recognized that the allocation was made in error and reversed the expense by booking a credit during the test year. It then made an adjustment to its test year level of expense to remove the credit

attributable to this error. In our view, this credit is nonrecurring and will not reflect the appropriate level of rates on a going forward basis. The Hearing Examiner's findings are hereby modified as follows to reflect removal of the $28,005 credit arising from the Kansas/Missouri Safety Program. With this modification, we find:

(1) The Company's test year operating deductions, after all adjustments, were $29,794,113;

(2) The Company's test year net operating income and adjusted operating income, after all adjustments, were $1,855,455 and $1,802,738, respectively;

(3) The Company's adjusted test period rate base, updated to March 31, 1993, is $16,201,600;

(4) The Company's current rates produced a return on adjusted rate base of 11.13% and a return on equity of 13.42%;

(5) The Company requires a reduction in gross annual revenues of $218,437 to earn a 10.261% return on rate base;

(6) The Company shall refund, with interest, all revenues collected under interim rates in excess of the amount found just and reasonable herein;

(7) The Company refund, with interest calculated at a rate of 10.261%, the overcollection of $300,522, exclusive of interest, resulting from application of the incorrect gross receipts tax and special use tax rates on its purchased gas adjustment from January, 1988 to July, 1993. This refund should be made through the Company's PGA clause. Interest on the refund should accrue at the rate of 10.261%, compounded quarterly, until the refund is completed. Refund factors for firm, Rate Schedule 640 demand and commodity customers should be calculated on a per Ccf basis in a manner similar to the calculation of supplier refunds; and

(8) That the Company should refund its reduction in base rates over a period of twelve months with interest as specified in Ordering Paragraphs (3) through (6), infra, and should allocate this reduction uniformly over all volumetric rates based on the total sales level recommended by Staff and accepted herein.

Additionally, the Company has requested leave to file its lead-lag study at the same time it files its next rate application or 1995 AIF. In support of its request, the Company notes that its books are not to be closed and updated until late February.

We recognize that a 60-day advance filing under these circumstances may make it difficult for the Company to comply with a directive to file a comprehensive lead-lag study. Therefore, we will require United to file this study with its next AIF on March 31, 1995, or 30 days prior to its next general or expedited rate application, whichever filing is made first.

Finally, in its Exceptions to the Hearing Examiner's Report, the Company has asked that it be permitted to refund any excessive revenues through its PGA in the same manner as its gross receipts tax overcollections. It states in support of its request that it has undergone a conversion of its billing system in 1993, and is unable to reconstruct its customer billing records to calculate the amount of refunds owed to specific customers.

We will deny the Company's request because United has known since April, 1993, that its current base rates were interim and subject to refund. Refunds must be made to all customers who paid the Company for service during the period rates were interim and subject to refund. Some of these customers may no longer be current customers of United or may be served under rate schedules which are not subject to the PGA. If that is the case, a refund of base rate revenues through United's PGA clause will not return the overcharges to those customers who have paid excessive charges. However, we will allow the Company to make refunds of the PGA overcollections through its PGA mechanism within a twelve month period as it requested.

Accordingly, IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner, as stated in her July 21, 1994 Final Report and as modified herein, are accepted;

(2) That, consistent with the findings herein, the Company shall forthwith file revised base rate tariffs designed to reduce its revenues by $218,437, said reduction to be uniformly distributed over all volumetric rates based on the total level of sales accepted herein, effective for service rendered on and after April 1, 1993;

(3) That, on or before December 1, 1995, the Company shall complete its refund, with interest as directed below, of all revenues collected from the application of the interim base rates which were effective for service beginning April 1, 1993, to the extent that such revenues exceeded the revenues which would have been produced by the rates approved herein;

(4) That interest upon such refunds to be made in Ordering Paragraph (3) shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's selected interest rates ("selected interest rates") (statistical release G.13), for the 3 months of the preceding calendar quarter;

(5) That the interest required to be paid in Ordering Paragraphs (3) and (4) shall be compounded quarterly;

(6) That the refunds ordered in Ordering Paragraph (3) above may be accomplished by either a one-time credit to the appropriate customer's account for current customers (each such refund category being shown separately on each customer's bill) or, at the Company's option, by approximately equal monthly installments to such customers, said refunds to be completed no later than December 1, 1995. 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. United 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. United may retain refunds owed to former customers when such refund amounts are less than $1.00; however, United shall prepare and maintain

a list detailing each of the former accounts for which refunds are less than $1.00, and in the event such former customers contact United and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2;

(7) That the Company shall forthwith provide for refund with interest the overcollection of $300,522, an amount exclusive of interest, through its PGA clause. Interest on this refund shall be calculated at the rate of the Company's overall cost of capital of 10.261%, until all refunds are completed and shall be compounded quarterly. All refunds shall be completed by December 1, 1995. Refund factors for firm, Rate Schedule 640 demand and commodity customers shall be calculated on a per Ccf basis in a manner similar to the calculation of supplier refunds;

(8) That, on or before February 1, 1996, United 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 cost of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, personnel hours, associated salaries and costs for verifying and correcting the refund methodology and developing a computer program;

(9) That United shall bear all costs of all refunds directed in this order;

(10) That the Company shall forthwith:

(a) Establish and maintain a monthly payroll distribution detailing base and overtime payroll as it is expensed and capitalized in the general ledger.

(b) Expense payroll related items at the same percentage as payroll.

(c) Conduct time studies for persons who do not directly assign time and allocate their payroll based on the time study.

(d) Directly assign costs to Virginia whenever possible.

(e) Perform a jurisdictional allocation study for costs that are includable for Virginia ratemaking purposes but are not directly assignable to Virginia. In that study, the Company shall first prepare an adjusted per books schedule removing costs that are not recoverable in Virginia prior to allocation.

(f) Expense corporate rent associated with the use of office space in Franklin, Tennessee.

(g) Capitalize property taxes associated with construction work in progress.

(h) Determine current and deferred federal income tax expense and deferred investment tax credit expense for the Virginia jurisdiction.

(i) Identify all ADFIT to be directly assigned to Virginia. Exclude all non-recoverable items from ADFIT to be allocated to Virginia.

(11) That United perform a lead-lag study, including a balance sheet analysis, to be filed with the Commission simultaneously with its AIF by March 31, 1995, or 30 days prior to its next general or expedited rate application, whichever filing is made first; and

(12) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE930024
JULY 1, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To establish payments and charges for cogenerators and small power producers - 1993

FINAL ORDER

On March 31, 1993, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application to revise its Schedule 19 to establish payments for energy and capacity purchased from cogenerators and small power producers having a design capacity of 100 kW or less. This application was filed pursuant to the directive contained in the Commission's Final Order in Case No. PUE920060.[1] By Order dated July 15, 1993, the Commission assigned this matter to a Hearing Examiner to conduct further proceedings, established a procedural schedule and set the matter for hearing on January 10, 1994. One party, the Virginia Hydro Power Association ("Virginia Hydro"), filed a Notice of Protest and participated in the proceedings. By agreement of the parties, all testimony was received into the record without cross-examination. The Company and Staff reached agreement on a substantial number of issues and agreed to address the few remaining items in contention through the filing of briefs. Virginia Hydro did not raise objections to this procedure.

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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; Erratum Order, March 11, 1993).

On April 25, 1994, the Hearing Examiner issued his Report, in which he found that:

(1) The threshold for qualification under Schedule 19 should be 100 kW or less and one facility per site;

(2) The determination of "site" should be a one-half mile radius from a qualifying facility. A waiver of the geographic limitation should be available upon a showing that an exemption is required for efficient operation;

(3) Capacity payments should begin at the time capacity is first avoided in the DRR [Differential Revenue Requirement] analysis;

(4) Virginia Power should offer two types of firm energy and capacity payments - Peaking and Baseload, subject to the two tier capacity factor test;

(5) Virginia Power should continue to offer contracts of up to thirty years for facilities qualifying under Schedule 19;

(6) The size of Company's expansion candidates and the QF [Qualifying Facility] block should be matched in the DRR analysis;

(7) The "progressive capacity payment stream" should be discontinued in the DRR analysis;

(8) Levelized energy mixes up to thirty years should be retained as an option for determining QF energy payments;

(9) The carrying cost of fuel and spare parts should be included as avoided costs in the DRR analysis;

(10) Cash working capital should be excluded from avoided cost in the DRR analysis;

(11) Further refinements to the DRR methodology or proposals for an alternate methodology should be considered in the context of Virginia Power's next Schedule 19 proceeding; and

(12) Virginia Power's proposed charges for meter reading and processing are reasonable and should be adopted.

The Examiner recommended that the Commission enter an order adopting those findings and directing the Company to file a revised Schedule 19 - 1993/1995 consistent with those findings. On May 10, 1994, Virginia Power filed its Exceptions to two of the Examiner's findings; the recommendation to retain the option of 30 year contracts under Schedule 19 and the retention of the long-term levelized energy mix. Virginia Hydro excepted to the recommended level of meter reading and billing charges.

NOW THE COMMISSION, upon consideration of the record, the Examiner's Report, the exceptions thereto, and the applicable statutes and rules, is of the opinion and finds that the recommendations and findings contained in the April 25, 1994, Examiner's Report, with the single modification set forth below, should be adopted. We find the Report to be thorough and well-reasoned and are not persuaded to eliminate either the 30 year contract option or the long-term levelized energy mix option, as requested by Virginia Power in its exceptions, for the reasons stated in the Hearing Examiner's Report, which we adopt as our own. Likewise, we find the evidence supports the recommended level of meter reading and billing charges.

The Examiner accepted the Staff's proposal to limit the siting of Schedule 19 facilities to no more than one per half mile radius and stated, at page 5, that "the Commission should establish a procedure by which a waiver to this geographic limitation may be granted, based upon a showing that an efficient operation requires modification of the distance limitation." Rather than creating a waiver mechanism, the Commission has concluded to limit the availability of Schedule 19 as follows:

> No developer, or any affiliate of a developer, shall be permitted to locate a Schedule 19 facility within one-half mile of any other Schedule 19 facility owned or operated by such developer or any affiliate of such developer unless:
>
> a. Such facilities provide thermal energy to different, unaffiliated hosts; or
>
> b. Such facilities provide thermal energy to the same host, and the host has multiple operations with distinctly different or separate thermal needs; or
>
> c. Such facilities utilize a renewable resource which may be subject to geographic siting limitations, such as hydroelectric or wind power facilities.

Virginia Power will be directed to amend its Schedule 19 to reflect this limitation on the availability of the schedule to potential customers.

Accordingly, IT IS ORDERED:

(1) That, within five (5) days of the date of this Order, Virginia Power shall file with the Clerk of the Commission and serve copies on all parties a revised Schedule 19 - 1993/95 conforming to the conclusions and findings made herein; and

(2) That there being nothing further to come before the Commission, this matter be dismissed and the papers transferred to the file for ended causes.

CASE NO. PUE930028
MARCH 7, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
SOLOMON P. TABOR, JR., et al.
v.
RAINBOW FOREST WATER CORPORATION

FINAL ORDER

On March 16, 1993, Rainbow Forest Water Corporation ("Rainbow Forest" or "Company") notified its customers, pursuant to the Small Water or Sewer Public Utility Act, Virginia Code § 56-265.13:1 et seq., of an increase in its tariff effective May 1, 1993. In its tariff, Company proposed a monthly minimum charge of $13.50 for the first 3,000 gallons; $2.75 per 1,000 gallons for the next 3,000 gallons; $2.95 per 1,000 gallons for the following 3,000 gallons; and $3.15 per 1,000 gallons for usage over 9,000 gallons.

Company also proposed a tap-on fee of $550 plus gross up for taxes. Rainbow Forest proposed the following changes in charges and fees included in its rules and regulations of service: a $45 meter test charge if the meter shows no error greater than 2%; a $40 charge for installing the meter after removal for non-payment; and a $6 bad check charge.

By April 12, 1993, the Commission's Staff had received requests for hearing from more than 25% of Company's customers. By Order dated April 28, 1993, the Commission scheduled the matter for hearing on October 26, 1993, and declared Company's rate increase to be interim and subject to refund with interest. In its April 28, 1993 Order, the Commission directed Company to give notice of its proposed increase and established a procedural schedule for the filing of pleadings, testimony and exhibits.

On the appointed day, the matter came to be heard before Hearing Examiner Howard P. Anderson, Jr. Counsel appearing were Kenworth E. Lion, Jr., for Company and Marta B. Curtis for the Commission Staff. There were no public witnesses or intervenors. At the hearing Company presented proof of service and notice of publication.

At the time of the hearing, there were no issues in controversy. Rainbow Forest agreed to accept Staff's accounting adjustments for the purposes of this proceeding only. Company also agreed to accept Staff's rate design proposals.

Staff recommended that Company set up its books in accordance with the Uniform System of Accounts and book adjustments to operation and maintenance expense, depreciation, amortization and utility plant rate base related items in accordance with Staff's adjustments. Staff also recommended that Company set up an accurate method for recording non-utility affiliated revenues and expenses. It was Staff's further recommendation that Company's rates, fees and charges be approved and that Company's rates reflect its actual billing practices. This would include converting proposed monthly rates to bimonthly rates, with the exception of those bills rendered for service less than one month when usage does not exceed 3,000 gallons. In that event the customer's rate would be $13.50.

On January 6, 1994, the Hearing Examiner filed his Report. In his Report, the Examiner made a number of findings. The findings included the following:

1. The use of a test year ending December 31, 1992, is proper in this proceeding;
2. Staff's recommendations set forth above are reasonable and should be accepted;
3. Staff's accounting adjustments are just and reasonable and should be accepted;
4. The Company's test year operating revenues, after all adjustments, were $98,428;
5. The Company's test year total operating expenses, after all adjustments, were $101,268;
6. The Company's test year net operating loss, after all adjustments, was $2,840;
7. An acquisition adjustment of $118,000 should be approved in this case;
8. The Company's overall adjusted end of test period rate base is $166,590;
9. The Company requires additional gross annual revenues of $14,472 to earn a return on rate base of 6.80%; and
10. The Company's proposed rate design and charges are reasonable and should be approved.

In his discussion of Company's service charges, the Examiner recommended approval of the tap-on fee of $550 but did not comment on the tax gross up.

The Examiner recommended that the Commission enter an order adopting the findings in his Report, granting the Company an increase in gross annual revenues of $14,472 and dismissing the proceeding from the Commission's docket of active cases.

NOW THE COMMISSION, having considered the Hearing Examiner's Report and the record, is of the opinion that the Hearing Examiner's findings and recommendations described above should be adopted with certain modifications relative to the recommended tap-on fee and the acquisition adjustment. We find, considering the record, that it is appropriate for Rainbow Forest's customers to be charged a tap-on fee of $500 without the tax gross up. We agree with the

Examiner that an acquisition adjustment for purchase of 100% of the stock of the utility is appropriate for the Company. We disagree with the Examiner, however, on the method for calculating the adjustment.

The Examiner recommended the adoption of Staff's equity method for determining the acquisition adjustment. Under Staff's equity formula, the Company's equity position at the time of purchase is subtracted from the purchase price. As Rainbow Forest was in a negative equity position at the time of purchase by the present owners, Dewey E. and Margaret A. Holdaway, using this formula would result in an adjustment greater than the purchase price of the utility.

We are of the opinion that the acquisition adjustment should be calculated as set forth in the Final Order in Case No. PUE920039, Commonwealth of Virginia, ex rel. State Corporation Commission v. Po River Water & Sewer Company, ("Po River"). That Order was issued on January 10, 1994, a date subsequent to the filing of the Hearing Examiner's Report in this proceeding.[1]

In that Order, we chose to use the traditional "asset purchase" methodology for determining Po River's acquisition adjustment for the purchase of stock. Under the "asset purchase" formula, the value of accumulated depreciation and contributions in aid of construction is subtracted from gross utility plant. The remaining value is then subtracted from the purchase price to determine the acquisition adjustment. In that Order, we noted that rate base cannot exceed the purchase price plus improvements.

We would calculate Rainbow Forest's acquisition adjustment as set forth in Po River. We agree, however, with the 33 1/3 year amortization period set forth by Staff. After our revised acquisition adjustment of $87,079, we find that Company is entitled to an increase in gross annual revenues of $14,472 which will provide a 8.94% return on a rate base of $137,056. We find that to be just and reasonable. Accordingly,

IT IS ORDERED:

(1) That the Hearing Examiner's findings, as modified herein, are hereby adopted;

(2) That Company shall be granted an increase in gross annual revenues of $14,472;

(3) That Company shall set up its books in accordance with the Uniform System of Accounts for Class "C" Water Utilities;

(4) That Company shall devise an accurate method for recording non-utility affiliated revenues and expenses;

(5) That Company shall book an acquisition adjustment of $87,079 and amortize said adjustment over 33 1/3 years and book rate base related items in accordance with Staff's adjustments;

(6) That Company shall file with the Staff tariff sheets reflecting the permanent rates and rules and regulations approved herein; and

(7) That this case be, and hereby is, dismissed from the Commission's docket of active proceedings and the papers placed in the file for ended causes.

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[1]By Order dated January 31, 1994, the Commission entered an Order Granting Petition for Reconsideration, and on February 23, 1994, the Commission remanded the proceeding to the Hearing Examiner on other grounds.

CASE NO. PUE930032
FEBRUARY 2, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of Peak Day Pricing Pilot - Rider K

FINAL ORDER

On April 26, 1993, Virginia Electric and Power Company ("Virginia Power" or "Company") filed its application for approval of a residential rate design experiment designated as "Peak Day Pricing Pilot - Rider K." On June 21, 1993, the Company filed a revised Rider K, clarifying that the rate experiment would only be available in its Central, Eastern and Northern Divisions. The Company requested an effective date of July 1, 1993, with the experiment to continue through November 1995.

The Commission suspended the implementation of Rider K by Order dated June 30, 1993 and scheduled a public hearing for October 7, 1993. One public witness appeared during the hearing, Ms. Connie Davies, manager of integrated resource planning for the Columbia Gas Distribution Companies. The prefiled direct testimony of the Company and the Commission Staff, and the rebuttal testimony of the Company, was admitted to the record without cross-examination.

Under its proposed Rider K, Virginia Power would be permitted to designate up to 28 days per year as peak days. On such peak days, customers subscribing to Rider K will be billed at higher rates for power consumed during specified hours of the day, with a surcharge of approximately 30¢/kWh added to the regular residential rate, resulting in a rate of approximately 37¢/kWh. At all other times, as an offset to the surcharge for peak period usage, customers will be billed at a 17% discount from regular residential rates. The 17% discount was calculated based on the interim rates placed into effect in Virginia Power's general rate application, Case No. PUE920041. This discount must be recomputed to reflect the extent that the finally approved rates in that case diverge from the interim rates. On November 8, 1993, the Hearing Examiner filed his report, finding that:

(a) The 30¢/kWh surcharge proposed by Virginia Power is just and reasonable and should be adopted;

(b) The 17% discount proposed by Virginia Power should be adopted on an interim basis subject to refund and redetermination consistent with Exhibit KWS-1, Schedule 2, following the issuance of a final order in Case No. PUE920041;

(c) The $11 per month customer charge, reflecting additional time-of-use metering costs attributable to Rider K customers should be adopted;

(d) The increased customer charge should not be construed as an increase in operating revenues subject to the prohibition under § 56-235.4;

(e) The rate experiment should be implemented upon Commission approval and be permitted to continue through November 30, 1995; and

(f) Virginia Power should conduct an evaluation of the peak day pricing experiment and file its report and analysis not later than six months following the end of the rate experiment.

On November 17, 1993, Virginia Power filed comments on the report of the Hearing Examiner. In the comments, Virginia Power requested a slight modification of the experiment, to limit the geographic location of the experiment to three districts within each of the divisions, previously proposed. The Company asserts that so limiting the program would be a more efficient use of its resources, in that the number of Company personnel requiring additional training to administer the experiment would be greatly reduced.

NOW THE COMMISSION, upon consideration of the record, the Examiner's report, the comments of Virginia Power, and the applicable statutes, is of the opinion and finds that the findings and recommendations contained in the November 8, 1993, report of the Hearing Examiner are supported by the record and should, as modified hereafter, be adopted. The Commission finds that it is in the public interest for Virginia Power to limit the geographic location of Rider K to the districts requested in its comments. Finally, it will not be necessary to implement the 17% discount on an interim basis, subject to refund, as the Commission has today issued its Final Order in Case No. PUE920041. Virginia Power shall instead recompute the discount based on the rates filed pursuant to the Commission's Final Order in Case No. PUE920041.

Accordingly, IT IS ORDERED:

(1) That the Peak Day Pricing Pilot - Rider K proposed by Virginia Power shall be approved, subject to the modifications set forth herein;

(2) That Virginia Power shall file its report and analysis of the Peak Day Pricing Pilot - Rider K not later than six months following the end of the implementation period, i.e., not later than May 30, 1996; and

(3) That this matter be continued generally until further order of the Commission.

CASE NO. PUE930033
NOVEMBER 18, 1994

APPLICATION OF
THE POTOMAC EDISON COMPANY

For a general rate increase

FINAL ORDER

Before the Commission is the application of The Potomac Edison Company ("Potomac Edison" or "Company") for a general increase in rates. As originally filed, Potomac Edison applied for approximately $9.97 million in additional annual gross revenues. The Company subsequently revised its application to seek approximately $9.3 million in additional annual gross revenues. As provided by law, Potomac Edison's proposed revised base rates and some revised charges took effect, under bond and subject to refund, on September 28, 1993. The Company voluntarily deferred the effective date of other proposed charges until entry of a final order in this proceeding.

A public hearing on the application was held before Senior Hearing Examiner Glenn P. Richardson on December 7 and 8, 1993. In addition to the Company and the Commission Staff, the Office of the Attorney General participated in the proceeding. There were no other participants. Following the closing of the record and the submission of briefs by the parties and the Staff, Examiner Richardson filed his Report on May 5, 1994. Examiner Richardson addressed the numerous issues, including accounting, rate of return, and rate design, and made recommendations on findings to the Commission. In summary, Examiner Richardson recommended that the Commission find that the Company required $4,532,000 in additional annual gross revenues. In response to the Examiner's Report, Potomac Edison and the Office of the Attorney General filed Comments.

The Commission has considered the record developed at the hearing, Examiner Richardson's report, and the comments filed by Potomac Edison and the Office of the Attorney General. With the exception of two issues discussed below, the Commission finds that Examiner Richardson's conclusions and recommended findings are just and reasonable and should be adopted. The Commission finds that Potomac Edison requires $4,486,000 in additional gross annual revenue to have an opportunity to earn a reasonable return on rate base.

After considering the record, the Commission declines to adopt Examiner Richardson's recommended treatment of Clean Air Act Amendments allowance auction proceeds as test year revenues. Potomac Edison received approximately $209,000 as its share of proceeds from the U.S. Environmental Protection Agency's auction of allowances in March, 1993. Approximately $33,000 of these proceeds were allocated to the Virginia jurisdiction. The Commission recognizes that the receipt of these proceeds poses novel accounting and ratemaking issues for all electric companies subject to its jurisdiction. Given the limited experience that both the Commission and the utilities have with these proceeds at this time, it is premature to adopt a definitive treatment of these sums.

The Commission finds that the $33,000 in proceeds allocated to Virginia should be currently recognized as a deferred balance sheet item but not credited against plant expenditures as proposed by the Company at this time. For this case, auction proceeds will be treated as a source of cash working capital reflected in the working capital component of rate base for ratemaking purposes.

This treatment should not be interpreted as precedent or in any way binding in future proceedings involving Potomac Edison or any other electric company subject to our jurisdiction. The Commission recognizes that further experience with allowance auctions and their proceeds will allow development of appropriate permanent ratemaking treatment.

Turning to the issue of appropriate return on equity, the Commission declines to adopt the range of 10.50 percent to 11.50 percent recommended by Examiner Richardson. Based on the record before it, the Commission finds that the appropriate return is a range of 10.4 percent to 11.4 percent. The record supports setting the return at the 80 percent point of this range (11.2 percent).

In its Comments on Examiner Richardson's report, Potomac Edison requested clarification on adoption of its proposed general tax recovery rider designed to recover taxes associated with contributions in aid of construction, other than for line extensions covered by another proposal. Upon consideration of the record, the Commission finds the general tax recovery rider is reasonable and should be adopted. We do adopt Examiner Richardson's recommendation that the line extension plan proposed by Potomac Edison be rejected.

The Commission finds that the allocation of additional annual revenues among the various classes of service recommended by Examiner Richardson should be adopted. Based upon our findings, the additional gross annual revenues should be allocated as follows:

Residential Service	$2,560,000
General and Commercial Service	622,000
Light and Power Service	1,048,000
Large Primary Service	198,000
Street Lighting	58,000
Total Increase	$4,486,000

In conclusion, the Commission finds:

(1) That the use of a test year of the 12 months ending December 31, 1992, is appropriate for this proceeding;

(2) That the Company's test year operating revenues, after all adjustments, were $126,288,000;

(3) That the Company's operating revenue deductions, after all adjustments, were $108,174,000;

(4) That the Company's net test year operating income and adjusted operating income, after all adjustments, were, respectively, $18,114,000 and $18,007,000;

(5) That the Company's adjusted rate base, as of the close of the test year, was $218,430,000, and that rate base is appropriate for ratemaking;

(6) That the Company's rates in effect during the test year produced a return on adjusted end-of-test-year rate base of 8.24 percent;

(7) That the Company's return on equity for the test year was 8.40 percent;

(8) That the Company's current overall cost of capital is 9.51 percent;

(9) That the Company's current cost of equity is in a range of 10.4 percent to 11.4 percent, and rates should be designed using a return on equity of 11.2 percent;

(10) That the Company requires $4,486,000 in additional gross annual revenues to have an opportunity to earn a return of 9.51 percent on rate base;

(11) That the Company's proposed rate design and terms and conditions for service should be modified in accordance with the recommendations contained in Senior Examiner Glenn P. Richardson's Report of May 5, 1994, as further modified herein; and

(12) That the Company maintain the current and future Virginia jurisdictional portions of allowance auction proceeds as a deferred credit until further direction from this Commission.

Accordingly, IT IS ORDERED:

(1) That Potomac Edison's application for a general increase in rates be granted to the extent discussed herein and otherwise denied;

(2) That, on or before December 8, 1994, Potomac Edison shall file, as herein directed, revised schedules of rates and charges and revised terms and conditions for service consistent with our findings herein; (a) for those rate schedules identified in Potomac Edison's Notice of Intent to Place Rates Into Effect

Under Bond and Subject to Refund (Document Control No. 930920240, filed September 17, 1993) to take effect September 28, 1993, the revised schedules shall reflect the rate design and allocation of additional annual revenues ordered herein; these revised schedules shall bear no effective date but note their filing pursuant to this Final Order for use in computing the refund ordered herein;[1] (b) for the schedules and charges proposed for revision in the application but not placed in effect under bond and subject to refund on September 28, 1993, the revised schedule and charges shall reflect the findings made herein and shall bear as the effective date the date of this Final Order.

(3) That, on or before February 15, 1995, Potomac Edison 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 September 28, 1993, through November 19, 1994, to the extent such revenues exceeded its revenues which 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. In lieu of the rate directed by paragraph (3) of the hearing examiner's Ruling Accepting Bond for Filing (Sept. 22, 1993), 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 in 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 Edison may retain refunds of less than $1 owed to former customers. If such refunds are retained, Potomac Edison shall prepare and maintain a list of former customers owed refunds of less than $1. Upon request, Potomac Edison shall promptly make the refund of less than $1, but such refund shall be for the amount originally determined and shall include no additional interest. All unclaimed refunds shall be disposed of as provided by Virginia Code Ann. § 55-210.6:2. Potomac Edison 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 April 1, 1995, Potomac Edison 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 of costs 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 Edison 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 proceedings.

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[1]The Commission notes that revised rates and charges proposed in Case No. PUE940045 will take effect, under bond and subject to refund, on November 20, 1994, as authorized by a hearing examiner's ruling of October 19, 1994. Our order in this Case No. PUE930033 does not alter that ruling.

CASE NO. PUE930035
JUNE 22, 1994

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.

For an expedited increase in natural gas rates

FINAL ORDER

On May 4, 1993, Commonwealth Gas Services, Inc. ("Commonwealth" or "the Company") filed an application with the State Corporation Commission for a general increase in rates. The proposed rates are designed to produce annual revenues of $144,596,700, based on the Company's operations for the test year ending December 31, 1992, and a rate of return on equity of 12.75%. In its application, the Company proposed to delay the effective date of the proposed rates for either 150 days from the date the application was filed with the Commission or for 30 days following the issuance of the Final Order in the then pending Case No. PUE920037. A Final Order was entered in Case No. PUE920037 on October 15, 1993. Application of Commonwealth Gas Services, Inc., For a general increase in rates, Case No. PUE920037 (Final Order, Oct. 15, 1993).

In its May 28, 1993 letter, the Company proposed to implement its tariff revisions as interim rates in the instant case on June 1, 1993. The Company indicated that it was collecting interim rates, subject to refund, in Case No. PUE920037. According to the Company, implementing the proposed rates on June 1, 1993, rather than at some later date would immediately decrease the rates paid by ratepayers.

On May 28, 1993, the Commission granted the Company's request and docketed the captioned matter. The Commission permitted the Company's proposed rates to take effect on an interim basis, subject to refund, beginning June 1, 1993.

After a number of continuances granted at the instance of various participants, the Hearing Examiner set the matter for hearing for April 12, 1994. An earlier public hearing was convened on December 8, 1993, to receive the testimony of public witnesses.

On the appointed day, the matter came for hearing before Howard P. Anderson, Jr., Hearing Examiner. Counsel appearing were: Stephen H. Watts, II, Esquire, Andrew J. Sonderman, Esquire, Kenneth W. Christman, Esquire, and Stephen B. Seiple, Esquire, counsel for the Company; Edward L. Flippen, Esquire, Counsel for Westvaco Corporation ("Westvaco"); Alexander F. Skirpan, Esquire, Counsel for Allied-Signal, Incorporated, Celanese Fibers, Incorporated, Du Pont/Conoco, Inc., Reynolds Metals Company, Owens-Illinois, Inc., Virginia Fibre Corporation, ICI Americas, Incorporated, and IBM Corporation, (hereafter

collectively referred to as "Industrial Interveners"); Gail D. Jaspen, Esquire and Charles R. Foster, III, Esquire, for the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel"); and William H. Chambliss, Esquire, Counsel for the Commission Staff. During the hearing, the participants tendered a Stipulation and Recommendation for disposition of the Company's application. Counsel for Commonwealth, Virginia Electric and Power Company, the Fairfax County Board of Supervisors, Westvaco Corporation, the Industrial Interveners, the Consumer Counsel, and the Commission Staff signed the Stipulation and Recommendation. The Stipulation and Recommendation was received into the record.

On May 12, 1994, the Hearing Examiner issued his Report in the captioned case. In his Report, the Examiner made the following findings:

(1) The Stipulation and Recommendation presented by Commonwealth, Staff, and the parties is just and reasonable and should be adopted by the Commission;

(2) The Company's 12 months ending December 31, 1992, is an appropriate test period in this case;

(3) The Company's test year operating revenues, after all adjustments, were $140,185,856;

(4) The Company's test year operating revenue deductions, after all adjustments, were $129,161,453;

(5) The Company's test year net operating income and adjusted operating income, after all adjustments, were $11,024,403 and $10,822,821, respectively;

(6) The Company's current rates produced a return on adjusted rate base of 7.60%; and a return on equity of 7.30%;

(7) The Company's current cost of equity is within a range of 10.1-11.1%, and the Company's rates should be established based on the 10.6% midpoint of the equity range;

(8) The Company's overall cost of capital, using the midpoint of the equity range is 9.273%;

(9) The Company's adjusted test year rate base is $142,416,664;

(10) The Company's application requesting additional gross annual revenues designed to produce annual jurisdictional operating revenues of $144,596,700 is unjust and unreasonable;

(11) The Company requires $3,465,721 in additional gross annual revenues;

(12) The Company's rate design should be modified in accordance with the recommendations of Staff witness Lacy and the Company's customer charges should be modified in accordance with the recommendation of the Industrial Interveners' witness Rosenberg;

(13) The Company should file permanent rates designed to produce the revenues found reasonable herein using the revenue apportionment methodology agreed upon by Staff and the parties and recommended in this Report; and

(14) The Company should be required to promptly refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable herein.

The Hearing Examiner recommended that the Commission enter an order adopting the findings in his Report, granting the Company an increase in gross annual revenues of $3,465,721; and directing the prompt refund of all amounts collected under the interim rate in excess of the rate increase found just and reasonable in his Report. The Report provided that the parties had fifteen days from the date of the Report's issuance in which to file comments responsive thereto.

The Company, by counsel, filed comments in support of the Hearing Examiner's Report. It urged the Commission to issue a Final Order adopting, without modification, the findings and recommendations of the Report. No other comments were filed.

NOW, upon consideration of the record, the Hearing Examiner's Report, the comments, and the applicable law, the Commission is of the opinion that the findings and recommendations of the Hearing Examiner's Report are reasonable and should be accepted; that an increase in the Company's gross annual revenues of $3,465,721 is just and reasonable; that the Company should promptly refund all amounts collected under the interim rates in excess of the rate increase found just and reasonable herein; that the difference in the interim and final residential customer charges should be reflected in the final refund amounts; that consistent with Staff witness Lacy's recommendations, the Company should not recover interim rate undercharges by offsetting credits to the total refund amount; that the Stipulation and Recommendation is reasonable and should be incorporated by Attachment hereto as Appendix A; that Commonwealth should: (i) furnish data regarding its non-coincident peak load for the test period and should, to the extent available, furnish data regarding its non-coincident peak load for the pro forma period in its next rate case filing; (ii) provide in its next rate case filing information regarding the status of Commonwealth's Metered Propane Service, including the number of customers served under Rate Schedule MPS; (iii) submit an update of its line extension policy at the conclusion of this case; and (iv) submit at least 45 days before the filing of its next rate case a jurisdictional study separating out all of its non-jurisdictional customers; that consistent with Appendix A, the Company should account for all non-conforming advertising expense below the line; that property taxes related to construction work in progress for work orders open at year-end that have property taxes associated with them should be capitalized; and that this matter should be dismissed.

The Commission also notes that the Company did not submit a complete and correct cost of service study in this proceeding until several months after its application was filed. While we understand that, from time to time, mistakes will be made and that applications may have to be amended because of these mistakes, the Commission cannot tolerate the kind of inaccurate and incomplete work repeatedly submitted by the Company in this case. Consequently, the Staff is directed to evaluate rigorously the Company's application in its next rate filing prior to determining whether the application is complete. Such filing should not be deemed in full compliance with the Commission's "Rules Governing Utility Rate Increase Applications" until the Staff is satisfied that the application is complete in every respect, including the filing of accurate and complete cost of service studies.

Accordingly, IT IS ORDERED:

(1) That the findings and recommendations set forth in the May 12, 1994 Hearing Examiner's Report are hereby adopted;

(2) That the Stipulation and Recommendation, Appendix A hereto, is hereby accepted and incorporated herein by attachment;

(3) That consistent with the findings made herein, the Company shall forthwith file revised tariffs designed to provide $3,465,721 in additional gross annual revenues, said tariffs to be effective for service rendered on and after June 1, 1993;

(4) That on or before October 31, 1994, the Company shall complete its refund with interest, as directed below, of all revenues collected from the application of its proposed rates which became effective for service rendered on and after June 1, 1993, to the extent that such revenues exceeded the revenues which would have been collected by application, in lieu thereof, of the permanent rates to be filed in compliance with this Order. The difference in the interim and final residential customer charges shall be reflected in the final refund amounts. Consistent with Staff witness Lacy's recommendations, the Company shall not recover interim rate undercharges by offsetting credits to the total refund amount;

(5) That the interest upon the refund ordered above shall be computed from the date payment of each monthly bill during the period which the Company's proposed tariffs were in effect was due until the date refunds are made, at an average prime rate for each 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 quarter;

(6) That the interest required to be paid shall be compounded quarterly;

(7) That, subject to the findings made herein, the refunds ordered in paragraph (4) above may be accomplished by credit to the appropriate customer's account for current customers. Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount owed is $1 or more. The Company may retain refunds owed to former customers when such refund amount is less than $1; however, the Company shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly;

(8) That, on or before November 23, 1994, Commonwealth shall file with the Commission's Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order itemizing the costs of the refund. The itemization of these costs shall include, inter alia, computer costs and the man-hours, associated salaries, and costs for verifying and correcting the refund methodology and for developing the computer programs;

(9) That the Company shall bear all costs of making refunds;

(10) That, as part of its next rate case filing, Commonwealth furnish data to the Division of Energy Regulation regarding its non-coincident peak load for the test period and, to the extent available, provide this data for the pro forma period. In addition, Commonwealth shall furnish information regarding the status of its Metered Propane Service, including the number of customers served under Rate Schedule MPS in its next rate case filing;

(11) That Commonwealth shall forthwith file an update of its line extension policy with the Division of Energy Regulation;

(12) That at least 45 days before the filing of its next rate case, Commonwealth shall file two copies of a jurisdictional study reflecting separation of all of its non-jurisdictional customers with the Commission's Divisions of Energy Regulation and Public Utility Accounting;

(13) That the Company shall account for all non-conforming advertising expense below the line;

(14) That property taxes related to construction work in progress for work orders open at year-end that have property taxes associated with them shall be capitalized;

(15) That the Company's next rate filing shall not be deemed complete until a complete and correct cost of service study is filed; and

(16) That there being nothing further to be done herein, this matter be dismissed, and the papers filed herein placed in the Commission's file for ended causes.

NOTE: A copy of Appendix A entitled "Stipulation and Recommendation" with 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. PUE930036
FEBRUARY 23, 1994

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For a general increase in rates

FINAL ORDER

On May 7, 1993, Delmarva Power & Light Company ("Delmarva" or "the Company") filed an application for a general increase in electric rates based upon the Company's test year ending December 31, 1992. The Company's proposed increase was designed to produce additional annual operating revenue of $2,315,000. Delmarva requested that the proposed increase go into effect on October 5, 1993, subject to refund pending a final decision in this case.

Delmarva also proposed redesign of all the Company's significant rate schedules; however, the Company requested that these changes go into effect only after Commission approval to minimize the impact of rate design changes on customers' bills. In addition, Delmarva proposed a new tax surcharge schedule to be place in effect coincident with the date of anticipated changes in the federal laws.

On June 21, 1993, the Commission issued an order suspending the proposed rate increase through October 4, 1993. By that same order, the Commission directed the Company to provide public notice of its application, set the matter for hearing before a hearing examiner on November 17, 1993, and established a procedural schedule for the filing of testimony and exhibits. By Hearing Examiner's Ruling dated September 29, 1993, Delmarva was allowed to implement interim rates under bond, subject to refund with interest for service rendered on and after October 5, 1993. Those interim rates were designed consistent with the rate design approved in the Company's last rate case, Application of Delmarva Power & Light Company, Case No. PUE920040, Final Order dated April 7, 1993, and did not reflect the rate design changes which the Company proposed in this case.

By order dated October 21, 1993, the Hearing Examiner granted Commission Staff's motion for an extension of time from October 22, 1993 to October 29, 1993, for filing its testimony and exhibits. On October 29, 1993 the Hearing Examiner granted Commission Staff's motion for a second extension of time from October 29, 1993, to November 10, 1993, for filing its testimony and exhibits and extended the date for Delmarva to file its rebuttal testimony from November 4, 1993, to November 12, 1993.

On November 10, 1993, Commission Staff filed its testimony and exhibits. Staff recommended an increase in gross annual revenues of $1,281,122 based on an 11.05% return on equity, which is the one quarter point of a 10.80-11.80% cost of equity range. Staff also recommended modifications to Delmarva's proposed rate schedule changes. In addition, Staff recommended that Delmarva include in its next rate case (1) a cost of service study using the average and excess methodology and (2) a study to determine the appropriate threshold between large and small General Service - Secondary customers, with consideration given to a 50 kw threshold.

On November 15, 1993, Delmarva and Commission Staff filed their Joint Recommendations for disposition of the Company's application. In the Joint Recommendations Delmarva and Staff recommend an annual revenue increase of $1,281,122 based on the cost of service components and the billing units reflecting customer growth proposed by Staff Witness Adams in his prefiled testimony. Delmarva and Staff also agreed that deposits in qualified funds for nuclear decommissioning liabilities should be included in the cost of service for ratemaking purposes in this case. The recommended revenue requirement reflects a capital structure at June 30, 1993, and recognizes a return on equity of 11.05%. That percentage falls within the recommended return on equity range of 10.80 - 11.80%.

In addition, Delmarva and Staff also recommended that Delmarva should credit to customers excess accumulated deferred federal income taxes ("ADFIT") resulting from 1986 changes in the federal income tax law in the amount of $317,134. Attachment 3 to Appendix A of the Joint Recommendations show the amount to be refunded to each customer class. Delmarva and Staff recommended that refunds to customers within each class be calculated using a cents per kilowatt hour refund rate based on class actual annual kilowatt hour usage. Interest on this excess ADFIT should be based on the same period and interest rate as the base rate refunds. This proposed refund has been combined with the refund of excessive revenues collected as a result of the interim rates currently in effect. Delmarva and Staff also agreed that the separate tax surcharge proposed by the Company is not necessary and should not be included in rates.

Although Delmarva jointly recommended Commission approval of the revenue requirement calculated by Staff witness Adams, the Company specifically notes that it did not agree with each statement, calculation or adjustment presented in Staff's testimony. Delmarva agreed, however, that those calculations and adjustments should form the basis for evaluating any future annual information filing or expedited rate increase application until superseded by a subsequent general rate case or changes in relevant Commission rules. Delmarva and Staff also felt that the separate tax surcharge proposed by the Company in its application is not necessary and should not be included in rates.

The Joint Recommendations include two sets of rate schedules. Delmarva and Staff suggested that the rate schedules and tariff provisions designated as Attachment 1 to Appendix A (the "New Rates") become effective for bills rendered on and after the first day of the billing month that begins sixty days following the date of the Commission order approving them. Delmarva and Staff recommended this delayed implementation after the final order herein is issued since the rate design reflected in the New Rates differs substantially from the rate design now in effect in Delmarva's Virginia service area. The New Rates incorporate Staff's modifications to Delmarva's proposed schedule changes. In particular the New Rates include modified general service on-peak rate periods and off-peak service provisions, regrouped general service-secondary customers, and mandatory time of use rates applicable to large commercial and industrial customers. The requested delay in implementation will provide Delmarva an opportunity to advise its customers of the effects of the rate design changes before such changes become effective.

The second set of rate schedules (Attachment 2 to Appendix A of the Joint Recommendations) provides the "Refund Rates" which Company and Staff recommended be used to calculate the refunds for the period beginning October 5, 1993 through the day immediately preceding the effective date of the New Rates. The rates put into effect subject to refund do not include the proposed rate design changes. The Refund Rates are designed in the same manner as those interim rates, but based on the new revenue requirement.

On November 17, 1993, this matter came on to be heard before the Hearing Examiner. Delmarva and Staff were represented by counsel. No interveners or public witnesses appeared on the hearing date. Pursuant to the terms of the Joint Recommendations filed by Delmarva and Staff, all prefiled testimony and exhibits were received into the record without cross-examination. Staff and the Company advised the Hearing Examiner that the "New Rates" and "Refund Rates" had been designed to achieve the objectives of the Joint Recommendations. They further advised that Staff had generally reviewed the rates; however, further review would be necessary to identify any calculation errors or mathematical problems.

On January 4, 1994, Staff counsel advised the Hearing Examiner that Staff, upon further review of the Rate Schedules in the Joint Recommendations, had determined that fifteenth revised leaf No. 37 and fourteenth revised leaf No. 39A of the "New Rates" should be replaced with the documents bearing the same title and attached to the January 4, 1994 letter. Staff counsel further advised that counsel for Delmarva had no objection to Staff's recommendation.

On February 4, 1994, the Hearing Examiner issued her Report. In her Report, the Examiner adopted the Joint Recommendations filed by Delmarva and Staff. In particular the Hearing Examiner found that:

(1) The Joint Recommendations presented by Staff and Delmarva, as modified by Staff's January 4, 1994 substitutions, are just and reasonable and should be adopted by the Commission;

(2) The 12 months ending December 31, 1992, is an appropriate test period in this case;

(3) Deposits in qualified funds for nuclear decommissioning liabilities should be included in the cost of service for ratemaking purposes;

(4) The Company's test year operating revenues, after all adjustments, were $23,660,467;

(5) The Company's test year operating revenue deductions, after all adjustments, were $19,431,786;

(6) The Company's test year net operating income and adjusted net operating income were $4,228,681 and $4,212,079, respectively;

(7) The Company's current rates produce a return on adjusted rate base of 7.614% and a return on equity of 7.856%;

(8) The Company's current cost of equity range is 10.8%-11.8%, and that 11.05% should be used to calculate the Company's overall cost of capital and revenue deficiency;

(9) The Company's overall cost of capital based on the June 30, 1993 capital structure and an 11.05% cost of equity is 9.080%;

(10) The Company's adjusted update period rate base is $55,320,758;

(11) The Company requires $1,281,122 in additional gross annual revenues to earn a 9.080% return on rate base;

(12) The "New Rates" set forth in Attachment 1 to Appendix A hereto should be made effective for bills rendered on and after the first day of the billing month that begins sixty days following the date of the Commission's final order herein; and

(13) The Company should be required to refund promptly, with interest calculated using a simply annual interest rate of 6.15%, the $317,134 of excess ADFIT and all revenues collected under its interim rates in excess of the amount found just and reasonable herein. The "Refund Rates" set forth in Attachment 2 to Appendix A should be used to calculate refunds. Consistent with the refund procedure approved in Delmarva's last case, Case No. PUE920040, no quarterly interest rate or compounding of interest should be required with respect to interest paid on refunds.

On February 14, 1994, Delmarva, by counsel, filed a letter with the Commission stating that the Company does not intend to file any comments on the Hearing Examiner's Report, as the Report recommends approval of the Joint Recommendations filed by Delmarva and Commission Staff.

NOW THE COMMISSION, having considered the record and the Hearing Examiner's Report is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be adopted. In addition, we find that Delmarva should include in its next rate case a cost of service study using the average and excess methodology and a study to determine the appropriate threshold between large and small General Service - Secondary customers with consideration given to a 50 kw threshold. Accordingly,

IT IS ORDERED:

(1) That the findings and recommendations of the Hearing Examiner be, and they hereby are, adopted; and

(2) That Delmarva is directed to include in its next rate case a cost of service study using the average and excess methodology and a study to determine the appropriate threshold between large and small General Service - Secondary customers with consideration given to a 50 kw threshold; and

(3) That, there being nothing further to come before the Commission, this matter shall be removed from the docket and the papers placed in the file for ended causes.

CASE NO. PUE930042
NOVEMBER 18, 1994

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

To revise its cogeneration tariff pursuant to PURPA § 210

ORDER ESTABLISHING COGENERATION RATE

On May 14, 1993, Delmarva Power & Light Company ("Delmarva" or "the Company") filed with the Commission an application, written testimony and exhibits to support its proposal to modify its Cogeneration and Small Power Production Rates under Service Classification "X". By order dated July 15, 1993, the Commission established a procedural schedule for this matter. In that regard, the Commission directed Staff to file a report on the reasonableness of Delmarva's application, directed Delmarva to publish notice of this proceeding, and established a hearing date for this matter. No protests were filed.

On September 27, 1993, the Commission granted Staff's motion for a revised procedural schedule, extending the date for Staff to file its Report from September 24, 1993, to October 15, 1993, establishing November 9, 1993 as the date for Delmarva to file its rebuttal testimony, and continuing the hearing date from October 6, 1993, to November 17, 1993. In addition, the Order assigned this matter to a hearing examiner to conduct all further proceedings on behalf of the Commission.

On October 15, 1993, Commission Staff filed its Report on Delmarva's application, noting problems in five areas. First, Staff observed that there is no connection between Delmarva's own capacity expansion plan and the Company's methodology for determining its capacity payments to Qualifying Facilities. Second, Staff related that although line loses are recognized for energy payments, no such line loses are recognized for capacity payments. Third, Staff noted that Delmarva used different avoided cost methodologies to determine its avoided energy and capacity payments. Fourth, Staff felt allowing QFs to "lock-in" to 30 years of projected avoided energy costs, may be inappropriate due to the degree of uncertainty in forecasts generally. Fifth, in Delmarva's last proceeding to determine cogeneration and small power production rates, Case No. PUE920044, the Company was directed to develop avoided capacity and energy costs using the Differential Revenue Requirement ("DRR") methodology. Although Delmarva presented the DRR methodology in its application, Staff found it to be flawed in that the Company's avoided capacity costs represent the Pennsylvania-New Jersey-Maryland ("PJM") system capacity deficiency rates as opposed to Delmarva's own avoided capacity costs; the Company applied present value techniques to units of measurement in the development of its avoided energy and capacity deficiency rates; and the Company used a 4.5 percent inflation rate in determining PJM system deficiency rates for the period of 1997 through 2040, while using a 4 percent inflation rate to develop Delmarva's avoided energy costs.

Because of the above described deficiencies, Staff recommended two alternatives for disposition of this matter. First, Staff suggested that the Commission reject Delmarva's proposed Service Classification "X" and require the Company to refile its application using a DRR methodology that reflects Staff's concerns. Staff recognized, however, that this approach may be impractical due to Delmarva's small presence in Virginia and its apparent lack of potential for small QFs in the Company's Virginia service territory.

In the alternative, Staff recommended that Delmarva's methodologies for developing capacity and energy payments be adopted provided that (1) capacity payments are modified to reflect line losses, (2) current on peak hours are retained until Delmarva's next QF filing, (3) Delmarva is required to develop separate factors for demand and energy line losses, (4) the Company is required to evaluate the appropriateness of allowing QFs to "lock-in" projected energy payments for a period of 30 years and to propose alternatives in its next cogeneration proceeding, (5) the 1,000 kw threshold for the availability of Service Classification "X" be reduced to 100 kw, and (6) Delmarva be directed to modify its DRR analysis to address the problems discussed by Staff and to develop DRR - based capacity and energy payments in its next Service Classification "X" filing.

On November 9, 1993, the Hearing Examiner assigned to this matter granted Delmarva's motion, continuing the date for filing Company's rebuttal testimony from November 9 to November 12, 1993. Delmarva filed its rebuttal testimony on November 12, 1993, wherein the Company agreed to all of Staff's recommendations except those related to line loss factors and Staff's suggestion that Delmarva be required to use a DRR methodology which addresses Staff's concerns to develop energy and capacity payments in Company's next cogeneration filing.

The hearing in this case was held on November 17, 1993. At the hearing the Company's proof of notice, filed on October 14, 1993, was received into evidence, and the Company's application, prefiled testimony and exhibits and Staff's Report were admitted into the record after cross-examination. At the conclusion of the hearing, counsel for Delmarva and Staff gave closing arguments in lieu of briefs.

On June 13, 1994, the Hearing Examiner filed her Report, finding that:

(1) The threshold for the availability of Service Classification "X" should be reduced to 100 kW or less;

(2) The Company's proposal to increase the number of on-peak hours in the winter from 13 to 16 hours is reasonable and consistent with the Commission's recent decision in Application of Delmarva Power and Light Company, Case No. PUE930036, Final Order (February 23, 1994);

(3) The Company's proposed Service Classification "X", modified to reflect losses as recommended by Staff, is just and reasonable;

(4) The Company should reexamine that portion of Service Classification "X" which allows cogenerators and small power producers to lock in energy payments for a period up to thirty years, and present any alternate proposals designed to mitigate the risks associated with unreliable costs projections in its next cogeneration case; and

(5) The Company should reexamine its method of calculating energy and capacity payments; submit a new DRR analysis addressing Staff's concerns, including derived energy and capacity payments in its next cogeneration case; and offer any other recommendations in that next case to the Commission for a consistent approach to deriving energy and capacity payments.

On June 28, 1994, Delmarva filed its comments on the Hearing Examiner's Report. The Company did not oppose adoption of the recommendations set out in the Hearing Examiner's Report, except the requirement that Delmarva submit a new DRR analysis and DRR derived energy and capacity payments in its next Service Classification "X" application. The Company asserted that DRR based energy and capacity rates would require substantial time and resources and would be of little value, as Delmarva has no cogeneration or small power producer customers in Virginia. The Company also noted that DRR based energy and capacity payments may be substantially inconsistent with cogenerator and small power producer rates in effect in its Maryland and Delaware service areas and that the methodology Delmarva currently uses is sound and realistic for a utility that is part of PJM. Delmarva also requested that the rates approved in this case be permitted to remain in effect for at least one year until the Commission has reviewed Delmarva's 1995 Service Classification "X" application.

The Commission, upon consideration of this matter, is of the opinion and finds, that the findings and recommendations of the Hearing Examiner should be adopted, except the finding pertaining to the required DRR analysis. The Commission is persuaded that due to the Company's geographic characteristics, its participation in the PJM system, and the lack of cogenerators in the Company's jurisdictional service territory, additional DRR analysis is not necessary. We note, however, that Delmarva has agreed to incorporate certain helpful Staff suggestions in its next Service Classification "X" application. We further find that, due to the timing of this order, Delmarva may forego its 1994 filing for review of the Company's cogeneration and small power producer rates. Accordingly,

IT IS ORDERED:

(1) That findings and recommendations of the Hearing Examiner as modified herein be adopted;

(2) That Delmarva may forego its 1994 filing for review of the Company's cogeneration and small power producer rates; and

(3) That this matter is dismissed from the Commission's docket and the papers therein be placed in the file for ended cases.

CASE NO. PUE930044
MAY 2, 1994

APPLICATION OF
A&N ELECTRIC COOPERATIVE, BARC ELECTRIC COOPERATIVE, COMMUNITY ELECTRIC COOPERATIVE, MECKLENBURG ELECTRIC COOPERATIVE, NORTHERN NECK ELECTRIC COOPERATIVE, INC., NORTHERN VIRGINIA ELECTRIC COOPERATIVE, PRINCE GEORGE ELECTRIC COOPERATIVE, RAPPAHANNOCK ELECTRIC COOPERATIVE, SHENANDOAH VALLEY ELECTRIC COOPERATIVE and SOUTHSIDE ELECTRIC COOPERATIVE, INC.

To Amend Wholesale Power Cost Adjustment Clause

FINAL ORDER

On May 20, 1993, the ten Virginia electric distribution cooperatives ("Cooperatives") which are members of Old Dominion Electric Cooperative ("ODEC") filed their application to amend their Wholesale Power Cost Adjustment ("WPCA") clauses. The Cooperatives sought an amendment through which they could pass to their members charges or credits received annually from ODEC to adjust its margins for the previous year in order to preserve its margins at 1.20 times interest earned. In this particular instance, the Cooperatives sought to pass through charges slightly in excess of $1 million received from ODEC for what it says is a shortfall in its earned margin for calendar year 1992.

During the calendar year 1992, ODEC became subject to regulation by the Federal Energy Regulatory Commission ("FERC"). In June 1992, FERC approved a formula for the setting of rates charged by ODEC to its member-cooperatives for power purchased from it. The FERC "formulary rate" requires ODEC to recover a margin of precisely 1.20 times interest earned and to charge or credit its members annually for over- or under-collections of the 1.20x margin. In this proceeding, the Cooperatives seek permission to amend their WPCA clauses to pass-through automatically to their customers this prior period margin stabilization charge from ODEC.

The public hearing of this matter was convened on October 14, 1993, before Hearing Examiner Glenn P. Richardson. The Examiner received testimony from the Commission Staff and from the Cooperatives. Briefs were filed by these parties and by industrial intervenors IBM and Luck Stone Corporation. The Examiner's Report, recommending the rejection of the proposed adjustment, was issued on February 17, 1994. The Cooperatives filed exceptions to the Report on March 4, 1994.

NOW THE COMMISSION, having considered the record, the Examiner's Report, the exceptions thereto and the applicable statutes, is of the opinion and finds that the recommendation of the Hearing Examiner is fully supported by the record and should be adopted.

The Commission has permitted utilities within its jurisdiction to implement automatic adjustment clauses only in narrowly drawn instances. In each case in which such clauses have been permitted, the Commission has found "after carefully weighing the expected benefits against their disadvantages, in light of the public interest,"[1] that automatic adjustment of a utility's revenues was appropriate only where necessary to account for major, volatile costs which were beyond the utility's control. The expense sought to be recovered by the adjustment clause proposed herein does not fall within any of these criteria.

The Cooperatives have received margin stabilization adjustments from ODEC, under a different plan, since 1984. The adjustment never exceeded 5% of total purchased power costs. Thus, the expense is not major. The "formulary rate" permits such adjustments only once per year and by the explicit terms of the formula the charge or credit is deferred from January to April in order to permit "the member systems to obtain approval from the various State Commissions to

[1] Old Dominion Power Co. v. State Corporation Commission, 228 Va. 528 (1984).

adjust rates to their member-consumers." Thus, the expense is not volatile. Finally, we agree with the Examiner that the expense is not wholly beyond the control of the Cooperatives.

The cost of wholesale power purchased from ODEC is a major item of expense for the Cooperatives, the vast majority of which will continue to be recovered automatically from the Cooperatives' customers through their WPCA clauses. The Commission has set the rates of the Cooperatives to allow the recovery of all operating expenses, including power purchased from ODEC, and to enable the Cooperatives to maintain sufficient margins of their own. It is neither necessary nor in the public interest to enable automatic adjustment of the Cooperatives' rates to permit recovery of the additional margin stabilization charge received from ODEC when the Cooperatives' rates may, in many if not all instances, already be sufficient to absorb this expense.

Accordingly, IT IS ORDERED:

(1) That the application for amendment to the WPCA clauses of the Cooperatives be, and hereby is, DENIED; and

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

CASE NO. PUE930052
DECEMBER 29, 1994

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 GRANTING APPLICATION

Before the Commission is the application of Virginia Electric and Power Company ("Virginia Power" or "Company") to amend its certificate of public convenience and necessity for King George County to authorize the construction and operation of a double-circuit 230 kV tap line and an interconnection substation. The proposed facilities would connect the Company's existing Fredericksburg-Northern Neck Transmission Line to a qualifying cogeneration facility to be operated by Birchwood Power Partners, L.P. On November 22, 1993, the Commission set Virginia Power's application for hearing before an examiner and directed the Company to give public notice of this matter. Hearing Examiner Deborah V. Ellenberg conducted the hearing on March 15, 1994, in King George, Virginia. On November 30, 1994, Examiner Ellenberg filed her Final Report recommending that the application be granted. In response, Virginia Power advised the Commission that it would not file comments and urged the Commission to adopt the Final Report. No other parties or participants in the proceeding filed comments.

The Commission has considered the record, Examiner Ellenberg's Final Report, and Virginia Power's comment. The Commission adopts Examiner Ellenberg's findings and recommendation that the application be granted. Upon the filing of modified maps, as ordered herein, the appropriate amended certificate of public convenience and necessity will be issued to Virginia Power.

The record establishes a need for the proposed facilities. The Federal Energy Regulatory Commission has certified Birchwood Power Partners, L.P. as a qualifying cogeneration facility, and Virginia Power is obligated to interconnect Birchwood's facility with its system. A portion of the tap line and the interconnect substation would lie in Northern Neck Electric Cooperative's service territory. As indicated on a map included in Virginia Power's application, the Cooperative has no objection to construction of these facilities within its service territory.

Examiner Ellenberg found in her report that Virginia Power considered a number of routing alternatives. The record shows that the tap line connecting the qualifying facility directly to the existing 230 kV transmission line provides the most efficient interconnection, but no existing rights-of-way are available. Directly connecting the Birchwood facility to the Company's Fredericksburg Substation would require significantly more new right-of-way.

Martin E. Smith and Kay Smith, homeowners in the vicinity of the proposed route, testified at the hearing in favor of alternate routing which would take the line further from their home. A representative of Norfleet Land and Wood Co., Inc. ("Norfleet") also testified in favor of an alternate routing. In an exhibit filed after the hearing, however, Virginia Power advised that it had obtained an option for right-of-way from Norfleet.

The Commission appreciates the concerns of land owners whose property is crossed by, or is in view of, electric lines. The record before us establishes, however, that Virginia Power has taken reasonable steps to assess environmental impact and to avoid or to minimize any adverse environmental consequences from this construction. The record also includes comments from a number of Virginia environmental agencies. The agencies identified a number of applicable regulations, and they made suggestions on avoiding environmental impact.[1] None of the agencies opposed construction of the tap line or interconnect substation. Further, the Company has pledged to follow appropriate practices in constructing and operating the tap line.

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[1]The Commission notes that the issue of vegetation buffers at stream crossings arose during the hearing. (Tr. at 39-40.) The Virginia Department of Game and Inland Fisheries recommended in this case a 100-foot vegetation buffer. The Company's witness stated that Virginia Power was willing to discuss leaving additional buffer for this project. The Commission expects Virginia Power to follow up on its offer to discuss with the Department of Game and Inland Fisheries whether 100-foot buffers for crossings associated with this application are appropriate in light of current conditions and land use. The Commission also expects Virginia Power to take appropriate action in leaving buffers at stream crossings consistent with its pledge to construct the line so as to reasonably minimize the adverse impact.

At the hearing, Virginia Power identified the need to modify the route to accommodate a proposed landfill approved by King George County after the application had been filed. After the hearing, Virginia Power filed exhibits showing the new location of the tap line route. The record establishes that the modification of the routing to accommodate the landfill would not have a significant effect on other landowners, and the environmental considerations would be unaffected by the relocation.

In conclusion, the Commission finds that there is a need for the proposed tap line and interconnection substation. The Commission further finds that the Company has considered the environmental impact of the line and has pledged to take steps to avoid adverse environmental consequences of its construction. We find that the public convenience and necessity require the facilities.

IT IS ORDERED:

(1) That, pursuant to Virginia Code Ann. §§ 56-46.1, 56-265.2, and related provisions of Title 56, this application be granted;

(2) That Virginia Power be authorized to construct and to 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 tap line and the interconnection substation located outside its service territory; and

(3) That, forthwith upon receipt of this order, Virginia Power shall file amended maps showing the route of the tap line as approved herein so that an appropriate certificate of public convenience and necessity may be issued.

CASE NO. PUE930061
JANUARY 26, 1994

APPLICATION OF
THE POTOMAC EDISON COMPANY

For approval of a pilot conservation load management project

ORDER GRANTING APPROVAL

On September 21, 1993, The Potomac Edison Company ("Potomac Edison" or "Company") filed an application and supporting testimony requesting approval of a pilot program which involves the reimbursement of two commercial customers, Shenandoah University ("Shenandoah") and Lord Fairfax Community College ("Lord Fairfax"), for the installation costs of energy efficient lighting equipment in place of their existing lighting facilities ("the Proposed Program").

The Company states that the Proposed Program will have no effect on alternate energy suppliers as it involves only lighting. The cost to retrofit Shenandoah and Lord Fairfax is estimated to be approximately $110,000 and $72,000 respectively. The Company proposes to compensate Shenandoah and Lord Fairfax for the total costs of installation in exchange for the rights to monitor the savings and demonstrate the technology. Potomac Edison estimates that monitoring and evaluating the Proposed Program will cost approximately $10,000 and that its net lost revenues (excluding fuel) due to the Project will be $20,250 per year (in 1993 dollars).

Upon approval by the Commission, the Company intends to implement the Proposed Program, anticipating installation of the lighting equipment on or before March 31, 1994. Summary reports will be issued on a semi-annual basis, with a final report to be issued twelve months after final installation of the lighting equipment to evaluate the cost-effectiveness of the Proposed Program. The cost-effectiveness analysis will employ the four methodologies ordered by the Commission's June 28, 1993 Order in Case No. PUE900070: the participants test, the ratepayer impact test, the total resource test, and the utility cost test. Potomac Edison states that the evaluation will include, among other things, a recommendation regarding expanded implementation of the Proposed Program.

On November 12, 1993, the Commission issued an order establishing a procedural schedule for this matter. The order, among other things: directed Potomac Edison to publish notice of its application and to file additional testimony; provided an opportunity for interested persons to comment or request a hearing on the Company's application; and directed the Commission's Staff to file a report on the reasonableness of the Proposed Program.

On November 26, 1993, Potomac Edison filed its supplemental testimony and accompanying exhibits. The Company described its analysis of the Proposed Project using the participants test, the ratepayer impact test, the total resource test, and the utility cost test. Potomac Edison also provided a description of the monitoring methods to be utilized by the Company.

On December 22, 1993, the Commission's Staff filed its report. In its report Staff articulated its general support and encouragement of experimental or pilot energy efficiency projects prior to full scale implementation. Staff stated that the data gathered by Potomac Edison through this one year project will enable the Company to conduct a comprehensive cost/benefit analysis for its future recommendations before the Commission. Further, Staff stated that it had reviewed Potomac Edison's analysis on the Proposed Programs, using the four methodologies ordered by the Commission's June 28, 1993 Order in Case No. PUE900070, noting that the Company's cost/benefit analysis under the total resource cost test indicates that the Proposed Program is cost effective.

Although Staff articulated no reason for denying Potomac Edison's application, two issues were addressed. First, Staff noted that under the Proposed Program the Company proposes to pay the full amount of the removal and installation costs for the new energy technologies in the two universities. Staff stated that demand side management programs encouraging new technology typically involve some contribution on the part of the customer. Staff will examine the appropriateness of full recovery of these costs through rates in the Company's subsequent rate filings.

The second issue noted by Staff is the fact that Lord Fairfax, a public college, is not under the Commission's jurisdiction. Accordingly, Staff may question the recovery of projected costs and revenue losses for Lord Fairfax in the Company's future rate case filings.

Staff further stated that the Company should be required to provide the results of the Proposed Program and associated analysis, including cost benefit analysis, in its final report. The analysis should include, but not be limited to, load impacts on Potomac Edison's system in terms of energy consumption and summer and winter demand, market potential, customer satisfaction, program cost-effectiveness, efficiency of program operation and snap-back effect for each of the two universities.

On January 13, 1994, Potomac Edison filed its proof of notice. No comments or requests for hearing were received by the Commission's Document Control Center.

Under the Commission's Rules Governing Utility Promotional Allowances ("Promotional Allowance Rules"), the Commission may grant approval of programs offering promotional allowances if the Commission finds the program to be in the public interest; however, the Commission, in its order implementing the Promotional Allowance Rules, stated that rate recovery would be evaluated not in a utility's application to implement a Conservation Load Management ("CLM") program involving promotional allowances but as part of the utility's subsequent rate case.

> We believe that promotional allowances for cost effective CLM programs are appropriate. Rate recovery for such promotions should be allowed only for cost effective CLM programs, though, and not for those designed primarily to increase load or market share, unless a company proves that the program is cost effective and serves the overall public interest. We will not expressly prohibit the payment of such allowances by utilities, however, but rather, we will only address the propriety of cost recovery through rates. We also caution that the rules do not guarantee rate recovery for cost effective CLM programs. The reasonableness of the level of costs incurred will be evaluated as a part of each company's rate case.

Commonwealth of Virginia, ex rel., State Corporation Commission Ex Parte: In re, Investigation of Conservation Load Management Programs, 1992 S.C.C. Ann. Rept. 261, p. 264. It follows that Commission approval of a CLM program which encorporates promotional allowances is not tantamount to future rate recovery. A utility initiates such a program with some risk.

Accordingly, the Commission, upon consideration of the record herein, finds that Potomac Edison's application is in the public interest and should be granted. The issues of rate recovery for the Proposed Programs, however, are reserved for a future rate case proceeding. The Commission further finds that the reporting requirements requested by Staff should be incorporated in Potomac Edison's final report on the Proposed Program. Therefore,

IT IS ORDERED:

(1) That Potomac Edison's Proposed Program, as described in its application and supporting documents is approved;

(2) That Potomac Edison file semi-annual reports and analysis of the Proposed Program, with a final report to be issued twelve months after final installation of the lighting equipment. The final report shall include all data requested in Staff's report; and

(3) That this matter is continued generally.

CASE NO. PUE930062
JANUARY 27, 1994

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

To revise Rate Schedules 6, 7 and 9

FINAL ORDER

On October 1, 1993, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application with the State Corporation Commission ("Commission") to revise the following rate schedules: Rate Schedule 6 - High Load Factor Firm Gas Delivery Service; Rate Schedule 7 - General Firm Gas Delivery Service; and Rate Schedule 9 - Interruptible Gas Delivery Service. VNG's application stated that the changes to Schedules 6, 7 and 9 must be revised to pass on to transportation customers any penalty assessed by upstream gas suppliers in accordance with FERC Order 636's daily balancing requirements.

In addition, VNG's application proposed to revise Paragraph III.D of Rate Schedule 9 - Interruptible Gas Delivery. VNG's proposed revision to Rate Schedule 9 provides that a customer's ability to withdraw gas volumes from its bank is subject to interruption on a daily basis. VNG's application represented that this revision was necessary because the Company anticipated situations during which it will lack capacity to make deliveries of gas to end-users from end-users' inventory accounts, i.e., customer banks. VNG proposed to defer the delivery of gas from an end-user's inventory account during periods of limited capacity, and then resume such deliveries when system capacity is available. The Company has represented that it does not propose any changes to the rates and charges for Schedules 6, 7, and 9.

On October 28, 1993, the Commission issued its Preliminary Order in this matter. In that Order, the Commission docketed the application, and permitted VNG's tariff revisions to become effective for service rendered on and after November 1, 1993, on an interim basis, subject to refund. The Commission directed VNG to keep detailed records of the amounts of any penalties and the identity of any customer to whom penalties were assessed, during the period during which the tariff revisions remained interim.

On November 16, 1993, the Commission entered its Order Prescribing Notice and Inviting Comments and Requests for Hearing. VNG customers who were affected by the Company's proposed tariff revisions were invited to file written comments or requests for hearing on the Company's application by

December 23, 1993. That same Order directed the Staff to file with the Commission on or before January 20, 1994, a written report addressing the reasonableness of VNG's application, and the comments received on the application.

On November 29, 1993, the Commission extended the time in which comments or requests for hearing could be filed by customers affected by the captioned application to January 6, 1994.

No comments or requests for hearing were filed.

On January 20, 1994, the Staff filed its Report in the captioned matter. The Staff recommended that the Commission approve the Company's proposed tariff revisions, finding the revisions to Schedules 6, 7 and 9 to be consistent with FERC Order No. 636's requirements and finding the additional revision to Schedule 9 to be reasonable and consistent with that Schedule's interruptible character.

On the same day, VNG filed proof of compliance with the notice prescribed by the November 16 Order and the November 29, 1993 Amending Order. The November 29 Order required VNG to advise its customers affected by its application of the extension of time in which they could file written comments or requests for hearing on the application.

NOW THE COMMISSION, having considered the record herein and the applicable statutes, is of the opinion and finds that VNG's October 1, 1993 application is reasonable and should be granted; that the proposed tariff revisions which became interim and subject to refund under Va. Code § 56-240 are reasonable and should be made permanent; and that this matter should be dismissed.

Accordingly, IT IS ORDERED:

(1) That VNG's October 1, 1993 application is hereby granted;

(2) That the Company's proposed tariff revisions which became effective for service rendered on and after November 1, 1993, on an interim basis, subject to refund, are hereby made permanent for services rendered on and after November 1, 1993; and

(3) That there being nothing further to be done herein, the same is hereby dismissed, and the papers filed herein shall be made a part of the Commission's file for ended causes.

CASE NO. PUE930065
JANUARY 25, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SHAWNEE LAND UTILITIES COMPANY, INC.

ORDER OF SETTLEMENT

On December 1, 1993, the State Corporation Commission issued a Rule to Show Cause ("Rule") against Shawnee Land Utilities Company, Inc. ("Shawnee" or "Company") for alleged violation of § 56-265.13:4 of the Code of Virginia. In the Rule, the Commission directed the Company to appear and to show cause, if it could, why penalties should not be imposed pursuant to § 12.1-13 or why the Company's certificate should not be suspended, revoked, altered or amended pursuant to § 56-265.6.

In issuing the Rule, the Commission relied on Staff's motion filed on October 21, 1993. In its motion, the Staff of the Commission's Division of Energy Regulation ("the Division"), by its counsel, alleged the following:

1. That Shawnee is a certificated public service corporation providing water service to approximately 119 customers in Winchester, Virginia;

2. That Shawnee is subject to the Small Water or Sewer Public Utility Act ("the Act");

3. That Shawnee's customers have experienced water outages, low water pressure and dirty and/or red water;

4. That Shawnee has failed to comply with Virginia Department of Health water works regulations by:

   (a) exceeding the maximum containment level for iron and manganese;

   (b) allowing two wells to be constructed without obtaining construction permits;

   (c) not providing adequate distribution system pressure and not properly maintaining and operating the water works; and

   (d) not providing a qualified operator for the water works;

5. That customers' experience with water outages, low water pressure or dirty and/or red water constitutes failure to provide "reasonably adequate water service and facilities" in violation of § 56-265.13:4 of the Code; and

6. That Company's failure to comply with all of the above referenced water works regulations constitutes failure to provide "reasonably adequate water service and facilities" in violation of § 56-265.13:4 of the Code.

In an answer filed by Company's President, Donald R. Lamborne, on January 5, 1994, the Company denied that it violated § 56-265.13:4 of the Code. The Company also denied that it violated certain water works regulations relative to the water system's wells and operator. The Company did not deny the other allegations stated in the Rule. To settle all matters arising from the allegations made against the Company, it has offered to do the following:

(1) The Company will pay a fine in the amount of ten thousand dollars ($10,000) to the Commonwealth of Virginia. This amount is due as outlined in paragraph (2) below and will be suspended in whole, or in part, if the Company files with the Commission the required affidavits along with the Division's verifications that the Company has completed specific remedial action on or before the scheduled date for the completion of said action. At the completion of all remedial action outlined below, the Commission will vacate the outstanding amount. Any payments which become due will be made by check payable to the Treasurer of the Commonwealth and directed to the attention of the director of the Division of Energy Regulation.

(2) The Company will take remedial action pursuant to the following schedule:

A. Water Mains

On or before May 1, 1995, or unless otherwise agreed to by the Division and by the Company, the Company will file with the Commission an affidavit by the president of Shawnee ("affidavit") certifying that the Company has completed the replacement of water mains on Dakota Trail, Blackfeet Trail and Tomahawk Trail.

Upon timely receipt of said affidavit and verification by the Division, the Commission will suspend five thousand dollars ($5,000) of the amount specified on page 2, numbered paragraph (1) of this Order. Should the Company fail to file said affidavit by May 1, 1995, or by a date agreed upon by the Division and by the Company, a payment of five thousand dollars ($5,000) shall become due. Company must immediately notify the Division of the reasons for said failure. Upon investigation, if the Division determines that the reason for said failure justifies a payment lower than five thousand dollars ($5,000), it may recommend to the Commission a reduction in the amount due. Upon Commission certification of the amount due, the Company shall immediately tender to the Commission said amount.

B. Plant

On or before June 1, 1994, the Company will file with the Commission an affidavit certifying that the Company has submitted to the Virginia Department of Health ("VDH") completed plans for the replacement of water facilities in the old section of the Shawnee water system ("the #100 system"), with such replacement to include state-of-the-art iron and manganese removal equipment.

Upon timely receipt of said affidavit and verification by the Division, the Commission will suspend one thousand dollars ($1,000) of the amount specified on page 2, numbered paragraph (1) of this Order. Should the Company fail to file said affidavit by June 1, 1994, a payment of one thousand dollars ($1,000) shall become due. The Company must immediately notify the Division of the reasons for such failure. Upon investigation, if the Division determines that the reason for said failure justifies a payment lower than one thousand dollars ($1,000), it may recommend to the Commission a reduction in the amount due. Upon the Commission's certification of the amount due, the Company shall immediately tender to the Commission said amount.

On or before 390 days from the date that VDH approves the above-referenced plans (approximately 13 months), the Company will file with the Commission an affidavit certifying that the Company has completed installation of replacement facilities in the #100 system, with such replacement to include state of the art iron and manganese removal equipment.

Upon timely receipt of said affidavit and verification by the Division, the Commission will suspend four thousand dollars ($4,000) of the amount specified on page 2, numbered paragraph (1) of this Order. Should the Company fail to file said affidavit by the 390th day, a payment of four thousand dollars ($4,000) shall become due. The Company must immediately notify the Division of the reasons for such failure. Upon investigation, if the Division determines that the reason for said failure justifies a payment lower than four thousand dollars ($4,000), it may recommend to the Commission a reduction in the amount due. Upon the Commission's certification of the amount due, the Company shall immediately tender to the Commission said amount.

(3) On or before August 15, 1994, the Company will submit to the Division a plan detailing the installation of water mains on Dakota Trail, Blackfeet Trail and Tomahawk Trail;

(4) On or before August 1, 1994, the Company will obtain a qualified operator certified as Class IV or better for the Shawnee water system;

(5) On or before April 15, 1994, the Company will have available a written plan detailing its procedures for responding to customers' complaints;

(6) The Company will immediately establish 24-hour emergency telephone service for receipt of customers' complaints;

(7) The Company will maintain a labor force sufficient to service the Shawnee water system on a 24-hour basis and to respond to customer complaints within three hours from the time such complaints regarding water outages are received by the Company; and

(8) In the event that the installation of replacement facilities in the #100 system does not meet the VDH's standards for iron and manganese, the Company will construct a new well within a time limit to be agreed upon by the Company and the Division.

NOW THE COMMISSION, having been fully advised in the premises and finding sufficient basis herein for the entry of this Order and in reliance on the Company's representations set forth above, is of the opinion and finds that the offer of compromise and settlement should be accepted. Accordingly,

IT IS ORDERED:

(1) That pursuant to the authority granted the Commission by Virginia Code § 12.1-15, the offer of compromise and settlement made by Shawnee Land Utilities Company, Inc. be, and it hereby is, accepted;

(2) That the Company shall timely comply with the remedial actions outlined herein;

(3) That the Company is hereby fined ten thousand dollars ($10,000) which is due as outlined herein and will be suspended and subsequently vacated, in whole or in part, provided that the Company timely files the required affidavits that such remedial action has been accomplished as outlined herein and the statements therein verified by the Division; and

(4) That the Commission retains jurisdiction over this matter until further order of this Commission.

CASE NO. PUE930067
FEBRUARY 18, 1994

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For a certificate and amendment of certificate of public convenience and necessity pursuant to Virginia Code §§ 56-265.2 and 56-265.3

ORDER AMENDING CERTIFICATE

On November 1, 1993, Washington Gas Light Company ("Washington Gas" or "Company") filed its application requesting authority to amend its Certificate No. G-51g to provide gas service to 8410 Cabin Branch, Manassas, Virginia 22111. In its application, Company noted that its request to provide gas service is from an address located within Commonwealth Gas Services, Inc.'s ("Commonwealth Gas") service territory. Company also requested a certificate of public convenience and necessity authorizing it to construct and operate distribution facilities to provide such service.

By order dated December 2, 1993, the Commission docketed the matter and directed Company to give notice to interested parties on or before January 17, 1994. That order also directed interested persons to file comments in support of or in opposition to the application on or before January 28, 1994.

By letter dated December 21, 1993, Company furnished proof of notice. By letter dated January 28, 1994, Commonwealth Gas advised the Commission that it did not oppose Washington Gas's request. No other comments or requests for hearing were filed.

NOW THE COMMISSION, having considered the application, the pleadings and the applicable statutes, is of the opinion that it is in the public interest for Washington Gas's Certificate G-51g to be amended to include the service territory described herein. It is in the public interest for Company to construct and operate the utility facilities to provide such service. Accordingly,

IT IS ORDERED:

(1) That, on or before April 1, 1994, Washington Gas shall file with the Division of Energy Regulation a map delineating its distribution service territory within Prince William County and identifying the location of the utility facilities certified herein which are located outside its distribution service territory;

(2) That, upon filing of the required map, and pursuant to Virginia Code § 56-265.3, Certificate G-51g, authorizing Washington Gas to provide gas service in portions of Prince William County, shall be canceled and reissued as Certificate No. G-51h, which certificate shall include one additional address as referenced herein;

(3) That, pursuant to Virginia Code § 56-265.2, Washington Gas shall be granted a certificate of public convenience and necessity for the construction and operation of the utility facilities described in its application;

(4) That copies of this Order shall be placed in Certificate File Nos. 10314 and 10165, which are lodged in the Commission's Division of Energy Regulation; and

(5) That this case be dismissed from the docket of active proceedings and the papers placed in the file for ended causes.

CASE NO. PUE930069
FEBRUARY 28, 1994

NOTIFICATION OF
AMVEST OIL & GAS, INC.

To furnish gas service pursuant to Virginia Code § 56-265.4:5

ORDER DISMISSING PROCEEDING

On November 22, 1993, AMVEST Oil & Gas, Inc. ("AMVEST" or "the Company") delivered documents to the State Corporation Commission ("Commission") indicating its intent pursuant to Virginia Code § 56-265.4:5 to provide gas service to Appalachian Regional Healthcare, Inc. ("ARH"), Show-Dine Wise Corporation ("Shoneys"), Freedom Ford Lincoln-Mercury, Inc. ("Freedom Ford"), and WDSY, Inc. AMVEST completed its notification to the Commission pursuant to Virginia Code § 56-265.4:5 on December 9, 1993.

On December 17, 1993, 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 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.

On December 22, 1993, the Commission entered an Order finding that the facilities of ARH, Shoneys, Freedom Ford, and WDSY, Inc. were not within an area for which a certificate of public convenience and necessity had been granted, nor were these facilities 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 elapsed since the entry of the December 17, 1993 Order, and no jurisdictional public utility has filed a 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 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. PUE930070
MARCH 31, 1994

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For approval of experimental conservation programs

FINAL ORDER

On November 22, 1993, Delmarva Power & Light Company ("Delmarva" or "Company") filed an application and supporting documents requesting approval of five experimental conservation programs that make use of promotional allowances. The Company proposed to make the programs available to its Virginia customers from January 1994 through December 1996. These programs include a residential heating and air conditioning program, a residential new home construction program, a residential poultry farm lighting program, a commercial and industrial indoor lighting program, and a commercial and industrial air conditioning program.

On January 18, 1994, the Commission entered a procedural order 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 such comments or requests were received.

On February 17, 1994, the Company filed the testimony of its witness, Edward J. Racis, Manager of Marketing and Planning for Delmarva. Mr. Racis' testimony describes the proposed programs and the Company's "Challenge 2000" program for meeting the long- term energy needs of its service territory.

On March 4, 1994, the Commission Staff filed the report of its investigation of the proposed programs. The Staff recommended the approval of the application with two modifications. First, the Staff recommended that the number of participants for both the Commercial and Industrial Indoor Lighting and the Air Conditioning Programs should be limited to no more than 40, rather than the proposed maximum of 75 participants. Second, the Staff recommended that each of the experimental programs be limited to a two-year pilot period instead of the proposed three-year period. In the Staff's view, these limitations will provide Delmarva with the information needed to evaluate the programs and also reduce any potential problems caused by fuel switching from natural gas to electricity. A full two-year implementation of the programs will give Delmarva enough time to gather the specific program data and operating experience needed to design permanent demand side management programs in the future.

On March 16, 1994, Delmarva, by letter of counsel, accepted the modifications to its programs recommended by the Staff and urged the Commission to approve the programs with the recommended modifications.

NOW, UPON CONSIDERATION of the application, the pleadings filed herein , the applicable rules, and statutes, the Commission is of the opinion and finds that the experimental programs proposed by Delmarva should be approved with the modifications recommended by the Staff and noted herein. The

Commission finds that it is in the public interest for Delmarva to utilize the experimental programs to gain sufficient data to enable the Commission to determine whether the programs are feasible and should be implemented on a permanent basis.

Accordingly, IT IS ORDERED:

(1) That the experimental programs proposed by Delmarva shall be approved, subject to the limitations recommended by the Staff;

(2) That Delmarva shall file its report and analysis of the experimental programs not later than six months following the end of the implementation period, and not later than October 1, 1996; and

(3) That this matter be continued until further order of the Commission.

CASE NO. PUE930071
DECEMBER 27, 1994

APPLICATION OF
C&P SUFFOLK WATER COMPANY

For a certificate of public convenience and necessity

ORDER DECLARING RATES INTERIM AND DIRECTING THE FILING OF CERTAIN FINANCIAL INFORMATION

On June 30, 1994, C&P Suffolk Water Company ("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 in the Oak Ridge, Holland, Bennett's Harbor, Maple Hills, Beck's, S.L. Hines (Truckstop), Lake Forest, and Lake Meade subdivisions in Suffolk, Virginia. The Company also requested approval of its proposed tariffs.

On July 18, 1994, the Commission issued an order inviting written comments and requests for hearing. In that Order, the Commission directed its Staff to review C&P Suffolk's application and to submit, on or before November 10, 1994, a report detailing its findings and recommendations. The Commission subsequently extended the date for filing Staff's Report to December 16, 1994.

On December 13, 1994, Staff filed its report detailing the results of an audit based on a test year ending September 30, 1994. In its report, Staff recommended that the Commission set the matter for hearing in order to assess the reasonableness of the Company's rates based on data representing a test year ending December 31, 1994. Staff also recommended that the Commission declare the Company's proposed rates interim pending the Commission's determination of the matter. Moreover, Staff suggested that the Commission enter an order directing the Company to maintain a time log detailing the scope of services provided by Christian & Pugh, Inc., and to file certain financial information on or before March 31, 1995.

NOW THE COMMISSION, having considered the Staff's Report, is of the opinion that a hearing should be scheduled in the above-referenced matter. We are also of the opinion that the Company's rates should be declared interim and that the Company should file certain financial information based on a 1994 calendar year on or before March 31, 1995.

We will schedule a hearing at a later date. We will also address Staff's suggestion for a time log at that time in the event the Company does not voluntarily comply with Staff's suggestion. Accordingly,

IT IS ORDERED:

(1) That the Company's tariff shall be declared interim and subject to refund for service rendered on and after the date of this order until such time as the Commission has determined this case;

(2) 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 March 31, 1995, financial data based on a 1994 calendar 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

(3) That the matter shall be continued until further order of the Commission.

CASE NO. PUE930073
JUNE 1, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

To amend its Certificate of Public Convenience and Necessity authorizing operation of transmission lines and facilities in the County of Pittsylvania: 69 kV Lines and Ballou Substation

ORDER GRANTING AMENDED CERTIFICATE

Before the Commission is Appalachian Power Company's ("Appalachian" or "Company") application to amend its certificate of public convenience and necessity for Pittsylvania County, Certificate No. ET-42k. In this project, Appalachian first proposes to construct the Ballou Substation at Dan River, Inc.'s Schoolfield Plant and a 69 kV line connecting the new substation to the Company's existing Corning-Goodyear 69 kV line. The new line would extend for approximately 2.5 miles and would require new right-of-way cleared to a width of 80 feet. In the second phase of this project, Appalachian would acquire from Dan River, Inc. an existing 34.5 kV double-circuit line running from the Schoolfield Plant to the Company's existing Danville Station. The existing 34.5 kV line extends for approximately 3.5 miles with right-of-way approximately 50 feet in width. Upon acquisition of this line, Appalachian proposes to dismantle the existing facilities and to construct a new 69 kV line using the same right-of-way. The proposed facilities lie within the City of Danville and outside Appalachian's service territory identified in a certificate of public convenience and necessity issued under Va. Code Ann. § 56-265.3.

By Order of April 13, 1994, the Commission docketed this application and directed the Company to give notice of the application by newspaper publication and by service of copies of the order on local government officials. On May 12, 1994, Appalachian filed proof of newspaper publication and an affidavit of service of copies of the order on officials in the City of Danville. The Commission finds that proper notice as required by Va. Code Ann. § 56-265.2 was given.

In the Commission's Order of April 13, and the notice published in newspapers, all interested persons were directed to request a formal hearing or to file any other comments on or before May 13, 1994. In response, the Danville Development Council, Dan River, Inc., and the Honorable Whittington W. Clement, Member, Virginia House of Delegates, filed letters in support of the application. Danville City Manager A. Ray Griffin, Jr. filed a copy of a resolution supporting Appalachian's proposed project adopted by the City Council of Danville on December 7, 1993. The Commission finds that, after appropriate public notice, no interested person requested a formal hearing on this proceeding. Further, the comments received from interested persons raised no issue which would lead the Commission to order a formal hearing on its own accord.

The Commission Staff reviewed Appalachian's application and contacted the Virginia Department of Environmental Quality to request any comments that agency or other state environmental agencies might have on the application. In response to this request, the Department provided comments dated May 18, 1994.

On May 26, the Staff filed with the Clerk of the Commission a report of its investigation ("Staff Report") and provided copies to Appalachian. Copies of correspondence and reports related to the project from the Department of Environmental Quality were attached to the Staff Report. The Staff noted that the Department of Environmental Quality reported that no significant environmental issues related to the construction of the proposed 69 kV lines and substation had been identified by the environmental agencies. The Staff Report recommends granting Appalachian's application.

In correspondence to the Staff dated May 27, Appalachian stated that it had reviewed a copy of the correspondence and reports sent to the Staff from the Department of Environmental Quality addressing the application. The Company identified a number of recommendations made by the various environmental agencies which it would incorporate into its planning, construction and operation of the proposed 69 kV lines and substation.

Upon consideration of Appalachian's application, including various supplemental information provided by the Company, and the Staff Report, the Commission finds that there is a need for the proposed facilities. According to Appalachian's application, Dan River, Inc. is planning improvements to and expansion of its facilities in Danville, and it expects to increase significantly its power requirements. In light of the expected load growth, the Company has concluded that a single-contingency transformer or bus outage could result in thermal overloads. Dan River, Inc. has also requested that Appalachian upgrade existing service to the Schoolfield Plant from 34.5 kV to 69 kV and provide a second power source to increase reliability. In its Report, the Commission Staff agrees with Appalachian's analysis of the impact of the increase in load. The proposed 69 kV lines and the substation appear to be an efficient means of meeting a major industrial customer's requirements. Accordingly, the Commission finds that a need for the proposed facilities has been established.

As noted in the April 13 order, the City of Danville operates a municipal electric system not subject to Commission jurisdiction, and the proposed facilities would lie within the corporate limits of the city. Danville has reviewed the project, and a copy of the City Council's resolution of support is included in the application. In addition, Danville's city manager has signed copies of maps filed with the application indicating that the City of Danville has no opposition to the project.

In its application, the Company explained that Dan River, Inc. would provide, for a nominal sum, the site for the Ballou Substation at its Schoolfield Plant and easements for approximately half of the 2.5 miles of right-of-way required for the line from the Ballou Substation to the Corning-Goodyear 69 kV line. The remaining new right-of-way would be acquired from landowners. No relocation of any existing residences would be required based upon the new routing. With regard to the existing 34.5 kV double-circuit line, Appalachian explained in its application that the existing line and right-of-way would be conveyed to the Company for a nominal sum. The existing line would be dismantled, and a new 69 kV line would be built within the existing right-of-way.

The Company identified in its application various contacts it had with Virginia environmental agencies prior to filing with the Commission. As previously noted, the Staff contacted the Department of Environmental Quality about this application. As shown in the application and the correspondence and reports attached to the Staff Report, a number of State environmental agencies as well as federal and local agencies have reviewed this project. None of these agencies have identified any significant environmental obstacle raised by the construction of the substation and the 69 kV lines.

Appalachian stated in its application that the new 69 kV line on new right-of-way would pass in the vicinity of a wetlands area documented by the Virginia Department of Conservation and Recreation to have occurrences of natural heritage resources. Appalachian anticipates that the line would have no adverse impact on these resources, and the Department of Conservation and Recreation concurred in its comments. With regard to building the new 69 kV line on an existing right-of-way, the Company's application shows that the existing right-of-way parallels existing major highways and streets in the City of Danville and it would not appear to have any adverse impact on existing land usage or other resources.

The state environmental agencies recommended a number of measures which Appalachian could adopt to avoid or mitigate adverse environmental impacts of the proposed 69 kV lines. In its letter of May 27 addressed to the Staff, Appalachian indicated that it recognized the concerns identified by the agencies and that the Company would cooperate in addressing these concerns.

Upon consideration of the material before it, the Commission finds that the proposed substation and 69 kV lines do not appear to have a substantial adverse environmental impact. The Commission also notes that Appalachian has incorporated into its planning, construction and operation a number of recommendations made by environmental agencies. As construction on the line commences, we direct Appalachian to keep our Director of Energy Regulation advised of progress on the project and whether there is any substantial deviation from procedures outlined in APCO's letter of May 27 and its application and the measures recommended by the environmental agencies in their comments of May 18, 1994. In conclusion, the Commission finds that a certificate that the public convenience and necessity require Appalachian to exercise the right or privilege to construct the Ballou Substation and the 69 kV lines should be issued to Appalachian. Accordingly,

IT IS ORDERED:

(1) That, pursuant to Va. Code Ann. § 56-265.2 and related provisions of Title 56 of the Virginia Code, this application be granted;

(2) That Appalachian be issued an amended certificate that the public convenience and necessity require exercise of the right or privilege to construct outside its service territory the Ballou Substation at Dan River, Inc.'s Schoolfield Plant and a 69 kV line connecting that substation to Appalachian's Corning-Goodyear 69 kV line; to acquire from Dan River, Inc. a double-circuit 34.5 kV line connecting the Schoolfield Plant to Appalachian's Danville Station; and to dismantle that line and to construct on the same right-of-way a 69 kV line;

(3) That Appalachian be issued an amended certificate of public convenience and necessity as follows:

> Certificate No. ET-42l, to operate the present electric transmission lines and facilities, in Pittsylvania County and to construct and operate the proposed 69 kV lines and Ballou Substation, all as shown on the map attached thereto; which said Certificate No. ET-42l is to supersede Certificate No. ET-42k, issued on September 26, 1975.

(4) That this case be dismissed from the docket of active proceedings and the papers herein be placed in the files for ended causes.

CASE NO. PUE930074
JUNE 24, 1994

APPLICATION OF
VIRGINIA WATER & SEWER COMPANY

For cancellation of certificates of public convenience and necessity

ORDER CANCELING CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

By Order dated April 20, 1993, Virginia Water & Sewer Company (the "Company") was granted certificates of public convenience and necessity (Certificate Nos. W-271 and S-79) authorizing it to provide water and sewerage service to approximately 132 customers in the Pilot House Apartments in Newport News, Virginia.

By letter dated November 17, 1993, the Company requested the State Corporation Commission to cancel its certificates due to its intent to comply with Virginia Code § 56-1.2, as amended effective July 1, 1993. Section 56-1.2 excludes a company from the statutory definition of a "public utility" and from the requirement of certification if it owns or operates property and provides water to residents or tenants on that property and satisfies certain additional requirements.

The additional requirements are that the company must purchase its water from a public utility, public service corporation, public service company, county, city, or town, or other publicly regulated political subdivision or public body, and must charge its residents or tenants only that portion of the utility charge for water which is permitted by § 55-248.45:1. Section 55-248.45:1 permits a company to resell water and other utility service to the extent that the charge for the resale does not exceed its actual utility charge or include a separate fee for the reading of meters.

On June 8, 1994, Staff filed a report detailing the results of its investigation and presenting its findings and recommendations on the Company's application. In its report, Staff stated that it had verified that the Company had satisfied the above-referenced requirements. Staff recommended that the Company's request to cancel its certificates be granted.

In its report, Staff specifically noted that the Company purchases its water from Newport News Waterworks and its sewerage service from the Hampton Roads Sanitation Authority. Staff also noted that the Company does not charge its tenants an amount in excess of the actual charge for providing such service or charge a separate fee for the reading of meters.

NOW THE COMMISSION, having considered the application, Staff's report, Virginia Code § 56-265.3 and § 56-1.2, is of the opinion that the Company's certificates should be canceled. Code § 56-265.3 requires a company to have a certificate to provide water or sewerage service if it is a "public utility." The Company, however, pursuant to § 56-1.2, does not fall within the statutory definition of a "public utility" in its provision of water service.

We are of the opinion that the Company also does not fall within the statutory definition of "public utility" in its provision of sewerage service. It is well known in the sewerage industry that sewerage service is closely linked to the provision of water service and would appear to be within the intent of § 56-1.2. Resale of sewerage service is also permitted by § 55-248.45:1. Accordingly,

IT IS ORDERED:

(1) That Certificate Nos. W-271 and S-79 be, and hereby are, canceled; and

(2) That there being nothing further to be done, this matter be, and hereby is, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE930075
APRIL 11, 1994

APPLICATION OF
ROANOKE GAS COMPANY

For an Order of Clarification

FINAL ORDER

On December 27, 1993, Roanoke Gas Company ("Roanoke" or "the Company") filed an application with the State Corporation Commission ("Commission") seeking clarification of the Commission's November 14, 1989 Order Granting Waiver entered in Case No. PUE890078. In support of its application, the Company stated that the November 14 Order directed Roanoke to submit annual informational filings ("AIFs") based on the fiscal year ending September 30 in years subsequent to 1989. The Company also represented that in its rate cases filed subsequent to 1989, it used the fiscal test year ending September 30. Roanoke noted that it had reached agreement in a letter dated December 15, 1993, with the Commission's Division of Public Utility Accounting which recognized the Company's entitlement to select its test year under the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rate Case Rules"). The Company requested the Commission to enter an order amending the November 14, 1989 Order.

On March 11, 1994, the Staff filed its Response to the Company's application. In its Response, the Staff noted that Rule I(9) of the Rate Case Rules and the December 15, 1993 letter agreement may be in conflict with Ordering Paragraph (4) of the November 14, 1989 Order entered in Case No. PUE890078. It stated that Ordering Paragraph (4) of the order requiring Roanoke to use the twelve (12) months ending September 30 as the test period for any subsequent rate filings was no longer needed and that the requirement found in that Paragraph should be eliminated.

On March 17, 1994, the Company, by counsel, advised that it concurred with the Staff's Response and that it understood that annual reports, as distinguished from AIFs, would be based upon the calendar year. The Company also noted that the December 15, 1993 agreement with Staff concerning closings into plant and tax and other material accruals would apply to subsequent test years selected by the Company. The Company advised that it did not desire to file a further pleading replying to the Staff's Response.

NOW THE COMMISSION, upon consideration of the Company's application, the Staff's Response, the representations of counsel, and the applicable law, is of the opinion and finds that the captioned matter should be docketed; that Ordering Paragraph (4) of the November 14, 1989 Order entered in Case No. PUE890008 should be eliminated; and that this matter should be dismissed. Further, we find that the terms of the letter agreement between the Staff and Company dated December 15, 1993, are appropriate and should continue to apply to all rate filings made by Roanoke, regardless of the test year selected by the Company. Among other things, the December 15 agreement provides: (i) that Roanoke update closings into plant in service to coincide with the end of test period; (ii) that Roanoke update tax accruals to coincide with the test period; and (iii) that Roanoke update any other accruals of a material nature to coincide with the test period it has selected.

Accordingly, IT IS ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUE930075;

(2) That Ordering Paragraph (4) of the November 14, 1989 Order Granting Waiver entered in Case No. PUE890078 is hereby eliminated; and

(3) That there being nothing further to be done herein, this matter is hereby dismissed.

CASE NO. PUE940003
MARCH 7, 1994

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its fuel factor pursuant to Virginia Code § 56-249.6

ORDER ESTABLISHING 1994/1995 FUEL FACTOR

On January 14, 1994, The Potomac Edison Company ("Potomac Edison" or the "Company") filed with the Commission an application, together with written testimony, exhibits, and proposed tariffs intended to decrease its currently operative fuel factor from 1.412¢ per kwh to 1.362¢ per kwh effective with March 1994 cycle bills rendered on and after March 8, 1994.

By Order dated January 20, 1994, the Commission established a procedural schedule and set a hearing date. In that order, the Commission directed its Staff to file testimony and provided an opportunity for any person desiring to participate in the hearing to do so as a Protestant. No notice of protest or protest was received in this proceeding.

On February 23, 1994, the Commission's Staff prefiled its testimony. Staff found the assumptions driving the projections underlying the proposed fuel factor to be reasonable and in compliance with the Commission's established fuel cost projection standards. However, Staff recommended updating the Company's proposed "correction factor" to incorporate the effects of December 1993 actual results. Including the updated "correction factor," Staff recommended a total fuel factor of 1.353¢ per kwh to become effective with March 1994 cycle bills rendered on and after March 8, 1994.

Staff proposed that Potomac Edison's Definitional Framework of Fuel Expenses be amended to exclude nuclear lease financing charges from fuel factor recovery as adopted by the Commission in Application of Delmarva Power & Light Company, Case No. PUE930041. Although Staff noted that Potomac Edison had no nuclear generation, it was Staff's position that there should be consistent standards for each of the electric utilities under the Commission's jurisdiction.

The hearing of this case was held on March 7, 1994. The Company tendered its proof of service and the Company's application, testimony, and exhibits were admitted into the record. Staff testimony and exhibits were also admitted into the record. The Company took no exceptions to that testimony.

Upon consideration of the record in this case, the Commission is of the opinion that a decrease in the Company's zero-based fuel factor 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. The Commission's Staff files a report annually which addresses the reasonableness of the Company's actual fuel expenses ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the Report. Should the Commission find, based on the foregoing, that the Company's actual fuel expenses have been imprudent, the Company's recovery position will be adjusted. The adjustment will be reflected in the Company's next fuel factor.

The Commission further finds that Potomac Edison's Definitional Framework of Fuel Expenses set forth in Case No. PUE840005 shall be amended by adding the following underscored language in Section (b):

> The cost of nuclear fuel shall be the amount contained in account 518, excluding lease financing charges, except that if account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

Accordingly,

IT IS ORDERED:

(1) That a zero-based fuel factor of 1.353¢ per kwh is hereby approved effective with Potomac Edison's March 1994 cycle bills rendered on and after March 8, 1994;

(2) That the Definitional Framework of Fuel Expenses for Potomac Edison is hereby amended to exclude lease financing charges of nuclear fuel as referenced herein effective as of the date of this order; and

(3) That this case shall be continued generally.

CASE NO. PUE940005
MAY 11, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
ENERGY SOLUTIONS, INC.,
Complainant
v.
VIRGINIA ELECTRIC AND POWER COMPANY,
Defendant

ORDER DISMISSING

On March 3, 1994, the Commission entered an order that docketed a complaint filed by Energy Solutions, Inc. ("ESI"), directed a responsive pleading from Virginia Electric and Power Company ("Virginia Power"), and assigned the matter to a Hearing Examiner. Several responsive pleadings were filed.

On April 14, 1994, ES One, Inc., ES Four, Inc., and ES Eight, Inc. (the "ES Companies") submitted a letter to the Commission in which they alleged that Virginia Power had unlawfully refused to execute Schedule 19 contracts for three additional projects. ESI is the developer of the ES Companies' projects. By order dated April 25, 1994, the Commission docketed this second complaint, assigned it Case No. PUE940027, consolidated the matter with the complaint docketed as Case No. PUE940005, assigned the second matter also to a Hearing Examiner and directed that, upon consolidation, Case No. PUE940027 was closed.

On May 2, 1994, ESI withdrew the consolidated complaints against Virginia Power. On May 4, 1994, the Hearing Examiner filed a report recommending the dismissal of the case.

NOW UPON CONSIDERATION of the Examiner's report and the record herein, the Commission is of the opinion and finds that the recommendation of the Hearing Examiner should be adopted. Accordingly, IT IS ORDERED that this matter be dismissed and the papers transferred to the file for ended causes.

CASE NO. PUE940007
DECEMBER 27, 1994

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

FINAL ORDER

On February 24, 1994, Sydnor Water Corporation ("Sydnor" or the "Company") submitted an application to the State Corporation Commission in which it requested a certificate of public convenience and necessity to provide water service to residents of the Lake Wilderness subdivision in Spotsylvania County, Virginia. The Company also requested approval of its proposed rates, charges, and rules and regulations of service.

By order dated April 25, 1994, the Commission scheduled the matter for hearing, established a procedural schedule for the filing of pleadings, testimony and exhibits, and assigned a hearing examiner to conduct all further proceedings in the matter. In that order the Commission also directed Sydnor to place its proposed rates into effect on an interim basis for service rendered on and after June 1, 1994.

By Ruling entered on August 5, 1994, the Examiner continued the evidentiary hearing to October 27, 1994, and established a revised procedural schedule for the filing of testimony and exhibits. In that Ruling the Examiner also scheduled a local hearing in Spotsylvania County, Virginia, on November 10, 1994.

The matter came to be heard before Senior Hearing Examiner, Glenn P. Richardson, on the appointed days. Counsel appearing were Alexander F. Skirpan for the Company; Donald G. Owens for the Property Owners; and Marta B. Curtis for the Commission's Staff. Three of Sydnor's customers appeared and made statements at the local hearing. Proof of public notice was presented at the October 27 hearing.

When the October 27 hearing convened, Sydnor, the Property Owners, and the Commission's Staff had already filed a proposed "Stipulation and Recommendation" which purported to resolve all but two relatively minor issues in the proceeding. Both of these issues, which involved language in the Company's tariff relative to a minimum charge for water service and the definition of a customer, were subsequently resolved.

On December 1, 1994, the Examiner filed his Report, which detailed numerous service problems that existed before Sydnor began operating the water system. The Examiner noted improvements to the water system, an improved quality of water service, and, importantly, an improved working relationship with the residents of the subdivision since Sydnor began operating the system. The Examiner stated that, while there are still some isolated instances of discolored water and lingering hostility regarding past operating problems, the system's reliability and water quality have improved dramatically.

The Examiner noted the difference between the local hearing in this case where there were three customers in attendance and hearings in previous proceedings where hundreds of customers attended and standing room only crowds voiced their complaints. The Examiner addressed the concern of one witness at the local hearing who stated an objection to the purchase agreement that obligates Sydnor to pay a portion of connection fees to the system's former owner. The Examiner referenced a previous proceeding in which the Commission approved that agreement (Case No. PUA940009) and stated that it would be improper to

address an alternate proposal for payment of connection fees at this time. The Examiner also addressed the concern of another witness who had problems with discolored water and noted that it was not unusual for customers to experience discolored water when improvements are being made to the system.

The Examiner discussed in detail the proposed "Stipulation and Recommendation," found it just and reasonable, and recommended its approval by the Commission. The Examiner recommended and found:

(1) that Sydnor should be granted a certificate of public convenience and necessity authorizing it to provide water service in the Lake Wilderness Subdivision located in Spotsylvania County, Virginia;

(2) that a test year ending June 30, 1994, should be used when evaluating the reasonableness of Sydnor's proposed rates and charges for service;

(3) that Sydnor's test year operating revenues, after all adjustments, were $78,600;

(4) that Sydnor's test year operating expenses, after all adjustments, were $195,264;

(5) that Sydnor experienced a test year net operating loss of ($116,664) and a net loss of ($125,460) after all adjustments;

(6) that Sydnor's current permanent rates produced a negative return on rate base and therefore preclude the Company from earning a reasonable return on its investment;

(7) that Sydnor's adjusted test year rate base is $319,532;

(8) that Sydnor requires $131,262 in additional gross annual revenues to earn a reasonable return on its rate base;

(9) that Sydnor's revenue deficiency can be recovered by approving: (i) meter rates equal to $18 minimum per month (which includes the first 4,000 gallons) and a charge of $3.25 per 1,000 gallons over the first 4,000 gallons, and (ii) unmetered rates equal to $26.70 per month;

(10) that Sydnor's proposed rules and regulations, as modified to include the proposed resolution of the minimum charge and customer definition issues proposed by Sydnor and the Commission Staff, are just and reasonable and should be approved by the Commission;

(11) that the Commission's final order should include language which reflects: (i) Sydnor's agreement not to put a new rate increase into effect before January 1, 1996, (ii) Sydnor's agreement not to make any new connections to the water system before March 1995, and (iii) Sydnor's agreement to present its plans for new connections to the property owners before filing the plans with the Health Department; and

(12) that the Staff's proposed booking recommendation should be approved.

The Examiner recommended that the Commission enter an order that adopts the findings of his report; grants Sydnor a certificate of public convenience and necessity; grants Sydnor an increase in gross annual revenues of $131,262; and directs the prompt refund of all amounts collected under the interim rates in excess of the rate increase found just and reasonable.

NOW THE COMMISSION, having considered the record, the Examiner's Report, and applicable law, is of the opinion that it is in the public interest for Sydnor to be granted a certificate of public convenience and necessity. We are of the further opinion that the Examiner's findings and recommendations are just and reasonable and should be approved. We find that one issue requires additional comment.

The Examiner found that Sydnor's adjusted test year rate base was $319,532. The record discloses that this figure reflects Sydnor's purchase price for the system, plus post-acquisition additions and improvements. Normally when ownership of utility assets changes hands the rate base, i.e., the original cost of the system less depreciation and contributed property, does not change, although acquisition adjustments are sometimes permitted in appropriate circumstances.[1] Here, the record supports a finding that the purchase price was both reasonable and the result of arm's-length negotiations between the former and present owners and represents an appropriate rate base in the absence of direct evidence, due to the inadequate maintenance of records by Sydnor's predecessor, of the water system's original cost and offsets or deductions from that cost. Furthermore, Sydnor's investment in the system has legitimately and significantly accrued to the benefit of its customers. The quality and reliability of service to Lake Wilderness has undeniably and markedly improved since Sydnor acquired the system. Based strictly on the facts in this case, we deem it appropriate to establish Sydnor's rate base as its purchase price, plus improvements. Although we will not give this case precedential status in subsequent cases, we find that the proposed rate base of $319,532 is fair given all the circumstances and should be approved. Accordingly,

IT IS ORDERED:

(1) That the Examiner's findings referenced above be, and hereby are, approved;

(2) That Sydnor shall be granted a Certificate No. W-277 to provide water service to the Lake Wilderness Subdivision in Spotsylvania County, Virginia;

(3) That Sydnor shall be granted an increase in gross annual revenues of $131,264;

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[1] We granted acquisition adjustments in our final orders in Case No. PUE920039 (Commonwealth of Virginia, ex rel. State Corporation Commission v. Po. River Water & Sewer Company) and Case No. PUE930028 (Commonwealth of Virginia, ex rel. Solomon P. Tabor, Jr., et al. v. Rainbow Forest Water Company). In those cases we used the traditional "asset purchase" methodology which subtracts the value of accumulated depreciation and contributions in aid of construction from gross utility plant. The remaining value is then subtracted from the purchase price. We noted in both cases that rate base cannot exceed the purchase price plus improvements.

(4) That, on or before June 1, 1995, Sydnor shall complete the refunds, with interest as directed below, of all revenues collected from the application of its proposed rates which became effective for service rendered on and after June 1, 1994, to the extent that such revenues exceed the revenues, which would have been collected by the application, of the rates found just and reasonable herein;

(5) That the interest upon the refund ordered above shall be computed from the date payment of each monthly bill was due during the period the Company's proposed tariffs were in effect and subject to refund until the date refunds are made, at 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;

(6) That the interest required to be paid shall be compounded quarterly;

(7) That the refunds ordered in paragraph (4) above may be accomplished by credit to the appropriate customer's account for the current customers. Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount owed is $1.00 or more. The Company may retain refunds owed to former customers when such refund amount is less than $1.00; however, the Company shall prepare and maintain a list detailing each of the former accounts which refunds are less than $1.00, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly;

(8) That, on or before June 30, 1995, Sydnor 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, 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 the refunds;

(9) That the Company shall bear all costs of the refunds; and

(10) That there being nothing further to be done herein, the same be, and hereby is, dismissed from the Commission's docket of active cases.

CASE NO. PUE940012
AUGUST 12, 1994

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For approval of a Large Power Service Schedule

FINAL ORDER

On March 11, 1994, Mecklenburg Electric Cooperative ("Mecklenburg" or "the Cooperative") delivered documents to the State Corporation Commission ("Commission") requesting approval of a Large Power Service Schedule. The Company completed its application on April 12, 1994. According to the Cooperative's application, the Schedule LP-2, Large Power Service Rate Schedule, will be available to any non-residential cooperative member who has or is anticipated "to have, (a) a maximum measured demand of 5,000 kW or greater during all billing months within the current and previous eleven billing months," (b) an annual average load factor of 60 percent or greater, and (c) who caused the Cooperative to make an incremental plant investment of more than $750,000, but less than $1,500,000 in order to provide service. Under the "Determination of Billing Demands" section of Schedule LP-2, the Cooperative proposed not to bill any customer served thereunder for excess demand or non-coincident demand charges unless the Cooperative was billed for such charges by its power supplier, and any such charges to a customer served under Schedule LP-2 would be billed to the customer at the cost to the Cooperative so that such charges would neither generate margins nor create losses for the Cooperative. The application noted that the rate for Schedule LP-2 was designed to result in a Times Interest Earned Ratio ("TIER") of 2.50.

On May 2, 1994, the Commission issued an Order wherein it docketed the captioned matter and suspended the tariff proposal through September 9, 1994. The Order also directed the Cooperative to give notice of its application to all consumers eligible to receive service under the Schedule, invited interested parties to file comments or requests for hearing on the Cooperative's application by no later than June 20, 1994, and directed the Commission Staff to file a Report, making any recommendations it believed appropriate regarding the rate schedule.

On May 27, 1994, the Cooperative filed its proof of the public notice of its application. No requests for hearing were filed.

On June 13, 1994, Mecklenburg amended its coincident peak demand and excess demand charges for Schedule LP-2, reducing them from $17.148 per kW to $17.134 per kW. The Cooperative stated that this change was necessary to reflect Old Dominion Electric Cooperative's actual Wholesale Demand Charge of $16.51 per kW as opposed to the $16.524 per kW charge used in the Cooperative's application.

On June 21, 1994, the Level Run Baptist Church filed a letter requesting a copy of the Cooperative's application but filed no comments thereafter.

On July 8, 1994, the Staff filed its Report in the captioned matter. It noted that none of Mecklenburg's existing customers were eligible for this new service. No customer had a load factor of at least 60 percent and a maximum demand of at least 5,000 kW on a continuous basis over 12 consecutive billing months. The Staff noted that the proposed LP-2 service was developed for a potential manufacturing concern with operating characteristics which differ significantly from those of any of the Cooperative's other large power consumers. The noncoincident peak for this customer was expected to be 8,000 kW, and the coincident demand 7,040 kW per month. The plant is expected to operate on a continuous basis. The investment in utility plant to serve this facility is six times the average investment per consumer for the Large Power Time of Day and Interruptible classes, and thirteen times the average investment per consumer for all

large power consumers. The customers likely to subscribe to service under Schedule LP-2 are substantially different in character than the other nonresidential customers now served by the Cooperative.

The Staff analyzed the Cooperative's cost of service filed in support of the proposal and determined that the major portion of the Cooperative's investment in new plant, $900,859, was classified as transmission plant and directly assigned to the LP-2 Class. Staff explained that Mecklenburg does not currently book any transmission expense because such costs for existing transmission plant are capitalized. To estimate operating and maintenance costs for the new transmission facilities, the Cooperative used the ratio of O&M expenses to distribution plant. Staff noted that this ratio may produce a high estimate of transmission expense because distribution plant typically requires more maintenance than do transmission facilities.

In its cost of service evaluation, the Staff used many of the same assumptions as the Cooperative, but included $250,000 in breaker switches in transmission plant and used the ratio of distribution plant and expense data found in Mecklenburg's Annual Report to the Commission for the period ended December 31, 1993, instead of the data in the Cooperative's filing. Staff reported that the revenue generated from the application of the proposed rates for Schedule LP-2 to the billing determinants provided a TIER of 2.19 times and rate of return of 6.71 percent for the single prospective customer for this class. In the Cooperative's last rate case, Case No. PUE920047, the Commission approved rates designed to recover a modified TIER of 2.50 and a return on rate base of 9.09 percent. Staff's analysis concluded that Schedule LP-2 provided an appropriate incentive to encourage efficient energy use for customers with maximum demands greater than 5,000 kW who are able to maintain high load factors. The Staff recommended that if this new Schedule was approved, the Schedule's rates should be adjusted to produce a TIER of 2.50 based on Staff's cost of service analysis, and that the cost of service for this Schedule should be re-evaluated in Mecklenburg's next rate filing.

Mecklenburg, by counsel, advised Staff that it did not desire to respond to the July 8 Report filed in the captioned matter.

Upon consideration of the record in this case, we agree with Staff that Schedule LP-2 offers an opportunity for efficient energy use for Large Power consumers. However, we are concerned that this Schedule may not contribute a TIER and return on the Cooperative's rate base at parity with the system TIER and rate of return authorized in Mecklenburg's last rate case. Therefore, we will approve this Schedule only if it is modified to include revised rates designed to recover a 2.50 TIER based on the Staff's cost of service evaluation.

The proposed rate structure for Schedule LP-2 includes a facilities charge, four demand charges, an energy charge and a wholesale power adjustment factor which is applied only to energy consumption. The monthly $15,300 facilities charge is based on the Cooperative's projected monthly fixed costs to provide service. The demand related charges provide for the determination and billing of coincident peak demand, excess demand, noncoincident demand, and reactive demand. Based on the cost data set out in the Cooperative's application, as revised, and the Staff's analysis, the Cooperative's fixed charge includes the effects of the cost ratio used to estimate the Cooperative's maintenance expense for the transmission facilities associated with the provision of LP-2 service. This charge, in our view, adequately recovers Mecklenburg's fixed costs to provide service.

Under Schedule LP-2, a customer will pay an excess demand, noncoincident demand, and reactive demand charge only if his manner of operation causes the Cooperative to incur these charges from its wholesale power supplier. We expect the energy charge for a customer served under Schedule LP-2 to fluctuate with the customer's usage. The wholesale power adjustment factor included in the Schedule will pass through changes in wholesale power costs to Schedule LP-2 customers on an energy basis. Increasing the coincident peak demand charge associated with the Schedule will permit the customer to control his costs under the Schedule and will allow revenue recovery by the Cooperative. Consequently, we will direct the Cooperative to refile this Schedule with an increased coincident peak demand charge.

We recognize that both Staff's and the Cooperative's cost of service evaluations employ estimates of operating and maintenance expenses and capital investment. We will, therefore, direct the Cooperative to re-evaluate the cost of providing Schedule LP-2 service as part of its next rate application. Presumably, by then, the Cooperative will have actual cost data which will enable us to evaluate this Schedule's contribution to Mecklenburg's system return more precisely.

Accordingly, IT IS ORDERED:

(1) That Schedule LP-2, as filed in the Cooperative's April 12, 1994 application, is hereby rejected;

(2) That, in accordance with the findings made herein, Mecklenburg shall forthwith file a revised Schedule LP-2, effective for service rendered on and after the date of the entry of this Order, the rates for which shall be designed to recover a TIER of 2.50 and shall include an increased coincident peak demand charge;

(3) That Mecklenburg shall provide a cost of service study evaluating the cost to provide service for and contribution to its system return by Schedule LP-2 as part of its next rate application; and

(4) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE940017
JUNE 28, 1994

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

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 USC § 1671 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate that authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate state agency.

The Virginia State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. The Commission is authorized to enforce the Safety Standards under Va. Code Ann. § 56-5.1 (1993 Cum. Supp.), which allows the Commission to impose fines and penalties not in excess of those specified by § 11(a)(1) of the Act.

The Commission's Division of Energy Regulation ("Division"), charged with investigation of each jurisdictional company's compliance with the Safety Standards, has conducted an investigation of Commonwealth Gas Services, Inc. ("CGS" or "Company"), the Defendant, and alleges:

(1) That CGS is a public service corporation as that term is defined in Va. Code Ann. § 56-1 (1986 Repl. Vol.) and, specifically a natural gas company within the meaning of Va. Code Ann. § 56-5.1 (1993 Cum. Supp.); and

(2) That between February 25, 1993 and April 14, 1994, probable violations of various subparts of 49 C.F.R. §§ 192, 193, and 199 by CGS were investigated by the Division, and CGS has made a good faith effort to address same, and therefore, the Division would recommend to the Commission that no fines or penalties should be levied against CGS in regard to the following alleged conduct:

(a) Failing on certain occasions to test regulator station relief devices as required by the Safety Standards;

(b) Failing to ensure that contractors' anti-drug plans were in compliance with the Safety Standards;

(c) Failing to establish adequate procedures to implement Subpart I of the Safety Standards;

(d) Failing to provide a water supply and associated delivery system at the Company's LNG facility in accordance with the Safety Standards;

(e) Failing on one occasion to set a regulator station relief device at the correct pressure;

(f) Failing on certain occasions to review relief device capacities as required by the Safety Standards; and

(g) Failing to inspect a regulator station in accordance with the Safety Standards.

(3) That during the same time period, the following additional probable violations of subparts of 49 C.F.R. § 192 occurred for which the Division would recommend that a fine be levied against CGS:

(a) Failing to maintain proper odorant level in a certain part of its gas system; and

(b) Failing on certain occasions to follow Company procedures.

The Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters arising from the allegations made against it, CGS represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $12,700 to be paid contemporaneously with the entry of this Order. This payment will be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Division of Energy Regulation;

(2) Pursuant to Va. Code Ann. § 12.1-15 (1993 Repl. Vol.), the Company will also pay contemporaneously with the entry of this Order the sum of $2,365 to defray the cost of undertaking this investigation. This payment will also be made by check, payable to the Treasurer of the Commonwealth of Virginia and directed to the attention of the Director of the Division of Energy Regulation;

(3) Any fines and costs of the investigation paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines and costs shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Public Utility Accounting; and

(4) Contemporaneously with the entry of this Order, CGS will tender to the Commission a letter from the President of CGS certifying that the Company:

(a) will establish adequate written procedures to implement Subpart I of the Safety Standards by August 1, 1994; and,

(b) will provide a water supply and associated delivery system in accordance with the Safety Standards at the LNG facility by November 1, 1994.

The Commission being fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that CGS has made a good faith effort to cooperate with the Staff during the investigation of this matter, and therefore, the offer of compromise and settlement should be accepted. Accordingly,

IT IS ORDERED:

(1) That pursuant to the authority granted the Commission by Va. Code Ann. § 12.1-15 (1993 Repl. Vol.), the offer to compromise and settle made by CGS be, and it hereby is, accepted;

(2) That pursuant to Va. Code Ann. § 56-5.1 (1993 Cum. Supp.), CGS be and it hereby is, fined in the amount of $12,700;

(3) That the sum of $12,700 tendered contemporaneously with the entry of this Order is accepted;

(4) That pursuant to § 12.1-15, CGS' payment of the sum of $2,365 to defray the costs of this investigation is hereby accepted;

(5) That the letter tendered by the President of CGS certifying completion of the remedial action, as of the dates indicated herein, is accepted; and

(6) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE940018
MAY 17, 1994

PETITION OF
THE LAND'OR UTILITY COMPANY, INC.

For a temporary schedule of rates pursuant to Va. Code § 56-245

ORDER DENYING PETITION

On March 30, 1994, The Land'Or Utility Company, Inc. ("Land'Or" or "the Company") filed a Petition with the State Corporation Commission ("Commission") requesting authority to implement a temporary schedule of rates under Va. Code Ann. § 56-245 (1986 Repl. Vol.) to recover the following impact fees:

Water	$1,000
Sewer	$1,400

The Company proposed to recover these fees from customers who construct new residences in its service area. Its Petition states that these fees are necessary to fund an expansion and sewer plant improvements which were ordered by the Department of Environmental Quality ("DEQ").

On April 14, 1994, BATCO-1989-II, Inc. ("BATCO") filed a Notice of Protest wherein it alleged that the circumstances described in the Petition did not constitute an "emergency" as contemplated by Va. Code Ann. § 56-245 (1986 Repl. Vol.). BATCO urged the Commission to deny the Petition or, in the alternative, to conduct a full investigation of the matters raised in the Petition before granting the Company any relief.

On April 15, 1994, the Commission Staff filed a Motion to Dismiss the captioned matter. In its Motion, the Staff asserted: (i) that the Company's Petition does not satisfy the requirements of Va. Code Ann. § 56-245 (1986 Repl. Vol.); (ii) that the circumstances set forth in the Petition do not constitute an emergency; (iii) that the impact fees recover more than the costs of the improvements on a permanent basis; (iv) that the fees are discriminatory in application; and (v) that there appears to be no reason why the Company cannot wait until it is eligible for rate relief under the Small Water or Sewer Public Utility Act.

On April 19, 1994, the Commission entered an Order which docketed the matter; invited the Company and BATCO to file their respective responses to the Staff's Motion on or before April 25, 1994; and directed the Staff to file its Reply, if any, on or before May 2, 1994.

On April 25, 1994, the Company filed its Response to the Staff's Motion to Dismiss. In its Response, the Company invited the Commission to consider its Annual Reports for the years 1991 through 1993, in support of its request for a temporary rate increase. The Company requested that the Commission deny the Motion to Dismiss, order a hearing on the matter before a decision is reached and grant such other relief as was warranted.

BATCO's Response supported the Staff's Motion and urged the Commission to dismiss the Petition.

On May 2, 1994, the Staff filed its Reply to the Company's Response. In its Reply, the Staff renewed its request for denial of the Petition and dismissal of this proceeding. In support thereof, among other things, the Staff asserted: (i) that the Petition did not allege circumstances that constituted an emergency; and (ii) that the Petition did not comply with the requirements of Va. Code § 56-245.

NOW, UPON CONSIDERATION of the Petition, the Staff's Motion, the Responses thereto, the Staff's Reply, and the applicable law, the Commission is of the opinion and finds that the Company's Petition for a Temporary Schedule of Rates ("Petition") must be denied. Va. Code Ann. § 56-245 provides in pertinent part:

> Whenever the Commission, upon petition of any public utility, is of the opinion and so finds, after an examination of the reports, annual or otherwise, filed with the Commission by such public utility, together with any other facts or information which the Commission may acquire or receive from an investigation of the books, records or papers, or from an inspection of the property of such public utility, or upon evidence introduced by such public utility, that an emergency exists, and that the public utility has made a preliminary showing of all the elements of § 56-235.2 of the Code sufficient to demonstrate a reasonable probability that the increase will be justified upon full investigation and hearing and is of the opinion and so finds that a hearing to determine all of the issues involved in the final determination of the rates or service will require more than ninety days of elapsed time, the Commission may, in case of such emergency, enter a temporary order fixing a temporary schedule of rates, which order shall be forthwith binding upon such utility and its customers; . . .

Judging the Company's Petition by the requirements of this statute, we are unable to conclude: (i) that there is an "emergency" which places this utility's ability to provide adequate, safe, and reliable service in jeopardy; or (ii) that the Company's Petition complies with the requirements of Va. Code Ann. § 56-245.

An emergency is an unforeseen combination of circumstances or the resulting state that calls for immediate action. See DuVal v. VEPCO, 216 Va. 226, 228 (1975). The circumstances set forth in the Company's Petition regarding the DEQ's requirements do not lead us to conclude that an emergency exists. Although the DEQ noted in its October 25, 1993 Special Order (Attachment A to the Petition) that the Company's operation of its sewer system has resulted in citations for discharge violations, it did not conclude that the Company's operations posed a health hazard requiring the suspension of the operations or cessation of sewer service to Land'Or's current customers. Instead, the DEQ limited the number of connections Land'Or may make to its system. These restrictions do not so limit the Company's growth potential in the next few months as to constitute an emergency immediately placing the utility's sewer customers in jeopardy as to service or safety.

Further, contrary to the allegations found in the petition, the DEQ limitations on the Company do not substantially restrict customer growth. The DEQ's Special Order limits the Company's sewer connections to 32 per year until the improvements ordered therein are made. The Company's 1993 Annual Financial Operating Report indicates that as of December 31, 1993, Land'Or provided sewer service to 237 usage customers. A limit of 32 sewer connections per year allows the system to grow approximately 13.50% annually. No restrictions have been placed on the number of customers which may be connected to the Company's water system.

Moreover, the Petition and Response do not demonstrate "a preliminary showing of all the elements of § 56-235.2 of the Code sufficient to demonstrate a reasonable probability that the increase will be justified upon full investigation and hearing." No data analyzing the Company's financial position after the 1993 increase in rates was filed with the Petition or with the Response to the Staff's Motion. The Utility's Petition presents no information regarding the sufficiency of its current revenues to fund the plant improvements required by DEQ.

Virginia Code § 56-245 contemplates Commission examination of a utility's reports and other information in making its determination regarding temporary rates. Indeed, the Company's April 25 Response invited us to review its Annual Financial and Operating Reports to support its request for temporary relief. Review of the 1991, 1992 and 1993 Reports does not convince us that this Company faces an emergency requiring temporary rate relief.

Finally, the Company has indicated its intent to request an increase in its rates under the Small Water or Sewer Public Utility Act in the fall of this year. Based upon the Petition, we are unable to conclude that the Company's service or financial position will deteriorate to an emergency condition during the few months remaining before it seeks rate relief under that statute.

Accordingly, IT IS ORDERED that the March 30, 1994 Petition filed herein be denied and this matter dismissed from the Commission's docket of active proceedings.

CASE NO. PUE940022
DECEMBER 30, 1994

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

> For a certificate of public convenience and necessity authorizing construction of 138 kV transmission facilities in the certificated service territory of another utility

FINAL ORDER

On March 31, 1994, Central Virginia Electric Cooperative ("CVEC" or "the Cooperative") filed an application for a certificate of public convenience and necessity authorizing the construction and operation of 138 kV transmission facilities in the certificated service territory of another utility. The Cooperative proposes to construct a new 7.75 mile 138 kV transmission line, initially operated at 69 kV, with approximately 1.94 miles of the proposed line within the certificated territory of Appalachian Power Company ("APCO" or "Appalachian").

In its application the Cooperative states that, in order to meet increasing electrical demand and to improve service quality for consumers/members in the Stonewall area of Appomattox County, it is necessary to construct a new substation with a transmission line that would connect to the Appalachian system near the town of Concord in Campbell County, Virginia. CVEC also states that it will obtain the necessary rights-of-way and provide the capital outlay for the construction of the line and that, when construction is complete, it plans to transfer ownership of the transmission line and the right-of-way to APCO. APCO will then be responsible for the operation and maintenance of the line.[1]

[1]The granting of a certificate is not deemed to be approval of the transfer which is required pursuant to the Utility Transfers Act.

By Order dated July 7, 1994, the Commission set the matter for local hearing in Rustburg, Virginia, on September 15, 1994; established a procedural schedule for the filing of pleadings, testimony, and exhibits; and assigned a Hearing Examiner to conduct all further proceedings in the matter. By Ruling issued on September 6, 1994, the Examiner scheduled further hearing for September 29, 1994, in one of the Commission's courtrooms in Richmond, Virginia.

Protests were filed by Richard L. Thompson and Nancy S. Thompson, W. E. Litchford, Colen E. Davidson and Kimberly H. Davidson (collectively "the Protestants"). The primary concerns of the Protestants centered on the effect of the proposed route on their respective businesses.

On August 24, 1994, Staff filed a report wherein it concluded that the proposed facilities are required to provide adequate and reliable service to the Stonewall area of Appomattox County, Virginia. Staff's report included comments from various Virginia environmental agencies that have reviewed the Cooperative's application. The Virginia Department of Environmental Quality ("DEQ" or "the Department") coordinated that review. According to the Department, none of the reviewers objected to the project although several issues were identified and comments and recommendations were included as part of the review.

Hearings were held before Hearing Examiner Howard P. Anderson, Jr., on the appointed days. Counsel appearing were Nathan H. Miller, James P. Guy, III, and John A. Pirko for the Cooperative; Thomas L. Phillips and W. Carrington Thompson for the Protestants; and Marta B. Curtis for the Commission's Staff. Proof of service and notice of publication were presented at the September 29, 1994 hearing.

At the local hearing, numerous public witnesses appeared and testified in opposition to the Cooperative's application. The primary concern was over the proposed routing of the line in the Concord area with specific reference to the area near State Route 460. There were also concerns in regard to the effect of the line on property values and health and on the jobs of the Protestants' employees. Eddie Gunter, Jr., chairman of the Campbell County Board of Supervisors, and David Shreve, County Attorney for Campbell County, testified that, while the County recognized the need for the proposed transmission line, it was opposed to the proposed location of the line. Another witness also testified as to the need for the line but opposed the proposed routing.

On September 28, 1994, the Cooperative and the Protestants filed a joint motion seeking approval of a settlement agreement which included a minor deviation in the proposed route. The deviation routes the line along the perimeter of the Protestants' property lines instead of bisecting such properties. At the September 29, 1994 hearing, David Shreve testified that Campbell County supported the deviation in route contained in the settlement agreement. At that hearing, the Examiner took the joint motion under advisement due to the fact that the agreement had not been reduced to a formal document.

A formal settlement agreement signed by the parties was submitted on October 12, 1994. On October 14, 1994, the Examiner made an on-site inspection of the proposed route which included the agreed upon deviation in route.

DEQ reviewed the proposed route changes which were part of the proposed settlement. In a letter made part of the record pursuant to a November 2, 1994 Ruling, DEQ stated that state environmental agencies have identified no additional issues of concern. The Department noted that the proposed changes may involve additional stream and wetland impacts which must be included in the Joint Wetlands Permit Process. The Department recommended that additional impacts be minimized by avoiding the placement of support structures within the area of Archer Creek and related wetlands and streams.

On December 1, 1994, the Examiner filed his Report. In his Report, the Examiner discussed in detail the need for the transmission line, alternatives to constructing the line, the existing right-of-way, and health and safety concerns. The Examiner also discussed the October 12, 1994 settlement agreement which was attached to his Report.

The Examiner concluded that the deviation in route contained in the agreement addressed the concerns of the Protestants and that, on balance, the impacts from route deviation were positive. The Examiner noted that there is little or no impact to adjoining properties and that the deviation around the Davidson's property would remove the transmission line from crossing a lake used for recreational purposes. The Examiner also noted that the incremental cost to the Cooperative for such deviation was approximately $50,000. He stated, however, that the cost of protracted litigation in this proceeding could well exceed that cost.

The Examiner found, in pertinent part, that there is a need for the transmission facilities and that the public convenience and necessity requires construction of the facilities. The Examiner also found that the proposed route incorporating the deviation contained in the settlement agreement will reasonably minimize the adverse impact on the environment of the area.

No comments or exceptions were filed to the Examiner's Report.

NOW THE COMMISSION, having considered the record, is of the opinion that the Examiner's findings relative to need and the proposed routing are proper and should be adopted. The Commission notes that the impact of the proposed facilities on the environment has been evaluated and addressed. The Cooperative provided copies of its application to a number of state environmental agencies and also provided DEQ with details of the proposed changes in route. The record reveals that there were no objections to the project from environmental agencies. Certain design, management and construction practices were suggested and CVEC was encouraged to maintain direct contact with certain environmental agencies. The Commission assumes that CVEC will secure all necessary approvals and follow appropriate design, management, and construction practices.

The Commission is of the further opinion that the Cooperative's application should be granted and that the Cooperative should be issued the appropriate certificate. Accordingly,

IT IS ORDERED:

(1) That, pursuant to Virginia Code Ann. § 56-265.2 and related provisions of Title 56, this application, be and hereby is, granted;

(2) That CVEC be, and hereby is, authorized to construct and to operate that portion of the 138 kV line outside its service territory from Stonewall, Virginia, in Appomattox County, to the Concord area in Campbell County, Virginia;

(3) That CVEC be and hereby is issued a certificate of public convenience and necessity as follows:

Certificate No. ET-155, for Campbell County, authorizing the Central Virginia Electric Cooperative to construct and operate the proposed 138 kV transmission line, as shown on the map attached thereto.

(4) That this case be and hereby is dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE940026
APRIL 26, 1994

APPLICATION OF
ROANOKE GAS COMPANY

For refund of overcollection of gas costs

ORDER GRANTING REQUEST TO ACCELERATE REFUND

By application dated April 5, 1994, Roanoke Gas Company ("Company") petitioned the Commission for authority to refund to its customers an overcollection of commodity gas costs of approximately $2,100,000 collected during the period October 1, 1993, through March 31, 1994. The refund would be made in the form of a one-time credit to customers' bills. The Company seeks to make the refunds to customers immediately rather than in the form of an ACA adjustment spread over the 1995 ACA refund period.

NOW THE COMMISSION, upon consideration of the Company's request, is of the opinion and finds that this matter should be docketed and that the Company should be directed to make the refunds as outlined in its petition.

Accordingly, IT IS ORDERED:

(1) That this matter is hereby docketed and assigned Case No. PUE940026;

(2) That the Company is hereby directed to make the refunds as set forth in its petition; and

(3) That there being nothing further to be done herein, this matter is dismissed from the Commission's docket of active proceedings and the papers filed herein shall be made a part of the Commission's file for ended causes.

CASE NO. PUE940028
AUGUST 3, 1994

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

To amend its certificate of public convenience and necessity pursuant to Virginia Code § 56-265.3

FINAL ORDER

On April 18, 1994, Virginia Gas Distribution Company ("VGDC" or the "Company") filed an application to amend its certificate of public convenience and necessity. In its application, the Company requested authority to expand its natural gas distribution system to provide service to customers located in Buchanan and Russell Counties, Virginia. The Company specifically requested authority to expand its distribution system to provide service to approximately 200 customers in the town of Grundy in Buchanan County, Virginia, and to provide service to approximately 520 customers in the town of Lebanon in Russell County, Virginia.

On May 16, 1994, the Commission issued an order directing the Company to give notice of its application and to provide the public with an opportunity to comment and request a hearing. In its order, the Commission also directed its Staff to review the application and to file a report detailing its findings and recommendations on or before July 8, 1994.

At the appointed time, Staff filed its report. In its report, Staff noted that the Company appeared to have the ability to construct the necessary facilities and to obtain a supply of natural gas sufficient to provide such service. Staff also noted that the Company proposed to serve new and existing customers under its current rate schedules and that local officials supported the proposed expansions. In addition, the Company had an aggressive program which provided for the expansion and delivery of natural gas to its consumers. Further, Staff noted that VGDC was soundly capitalized and able to attract additional capital sufficient to provide service to its proposed service territory.

Staff concluded that the Company was fit, willing, and able to provide natural gas service to Buchanan and Russell Counties. Staff also concluded that the introduction of such service was in the public interest of both counties and therefore recommended that the Company's certificate be amended to provide for such expansion.

No comments or requests for hearing were filed.

NOW THE COMMISSION, having considered the Company's application, Staff's report, and § 56-265.3(D) of the Virginia Code, is of the opinion that VGDC's certificate should be amended to authorize the provision of natural gas distribution service to all of Buchanan and Russell Counties. Accordingly,

IT IS ORDERED:

(1) That Certificate No. G-164 be, and hereby is, canceled;

(2) That VGDC shall be granted an amended certificate of public convenience and necessity (Certificate No. G-164a) to provide natural gas distribution service to those areas previously authorized in Certificate NO. G-164, as well as to the entire Counties of Buchanan and Russell;

(3) That there being nothing further to be done, this matter be, and hereby is, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE940030
OCTOBER 14, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Consideration of standards for integrated resource planning and investments in conservation and demand management for natural gas utilities

FINAL ORDER

I. PROCEDURAL HISTORY

On October 24, 1992, Congress enacted the Energy Policy Act of 1992 ("EPACT" or "the Act"), P.L. 102-486, 106 Stat. 2776 et seq. (1992). Section 115 of that Act amended the Public Utility Regulatory Policies Act of 1978 ("PURPA"), 15 U.S.C. § 3202, to add provisions requiring state regulatory commissions to consider standards governing integrated resource planning ("IRP") and investments in conservation and demand management for natural gas utilities. Specifically, the Act requires state commissions to consider whether:

> . . . [e]ach gas utility shall employ [an integrated resource plan] (sic), in order to provide adequate and reliable service to its gas customers at the lowest system cost. All plans or filings of a State regulated gas utility before a State regulatory authority to meet the requirements of this paragraph shall (A) be updated on a regular basis, (B) provide the opportunity for public participation and comment, (C) provide for methods of validating predicted performance, and (D) contain a requirement that the plan be implemented after approval of the State regulatory authority. Subsection (c) shall not apply to this paragraph to the extent that it could be construed to require the State regulatory authority to extend the record of a State proceeding in submitting reports to the Federal Government.

15 U.S.C. § 3203(b)(3).

With respect to conservation and demand management ("DSM")for natural gas utilities, EPACT provides that

> . . . [t]he rates charged by any State regulated gas utility shall be such that the utility's prudent investments in, and expenditures for, energy conservation and load shifting programs and for other demand-side management measures which are consistent with the findings and purposes of the Energy Policy Act of 1992 are at least as profitable (taking into account the income lost due to reduced sales resulting from such programs) as prudent investments in, and expenditures for, the acquisition or construction of supplies and facilities. This objective requires that (A) regulators link the utility's net revenues, at least in part, to the utility's performance in implementing cost-effective programs promoted by this section; and (B) regulators ensure that, for purposes of recovering fixed costs, including its authorized return, the utility's performance is not affected by reductions in its retail sales volumes.

15 U.S.C. § 3203(b)(4). Further, if a state adopts either of these standards, it must

> (1) consider the impact that implementation of such standard would have on small businesses engaged in the design, sale, supply, installation, or servicing of energy conservation, energy efficiency, or other demand-side management measures, and
>
> (2) implement such standard so as to assure that utility actions would not provide such utilities with unfair competitive advantages over such small businesses.

15 U.S.C. § 3203(d)(1),(2).

Section 115 defines "integrated resource planning" for gas utilities to mean

> . . . planning by the use of any standard, regulation, practice, or policy to undertake a systematic comparison between demand-side management measures and the supply of gas by a gas utility to minimize life-cycle costs of

> adequate and reliable utility services to gas consumers. Integrated resource planning shall take into account necessary features for system operation such as diversity, reliability, dispatchability, and other factors of risk and shall treat demand and supply to gas consumers on a consistent and integrated basis.

15 U.S.C. § 3202(9). "Demand-side management" as used in § 115 includes "energy conservation, energy efficiency, and load management techniques." 15 U.S.C. § 3202(10).

EPACT does not require the Commission to implement its standards, but if we do not implement them, we must nonetheless hold a hearing and state why we are rejecting the standards. Further, the Act requires us to complete our consideration of these standards not later than two years after the date of EPACT's enactment, i.e., by October 24, 1994. 15 U.S.C. § 3203(a).

EPACT provides separate integrated resource planning and investments in conservation and demand management standards for electric and gas utilities. See P.L. 102-486, 106 Stat. 2795, 2910, 16 U.S.C. § 2621(d). The standards for electric utilities, set out in § 111 of the Act, while similar in some respects to the standards for natural gas utilities, differ by allowing consideration of a broader scope of resource options for electric utilities. In addition, § 111 requires a regulatory body to complete its consideration of the relevant standards for electric utilities within three years of the Act's enactment, rather than two years, as required by § 115 for gas utilities. 16 U.S.C. § 2622(b)(2). The discrete statutory standards and time frames for consideration lead us to conclude that Congress intended the consideration of IRP and conservation and demand management standards for gas and electric utilities to proceed separately rather than as a single proceeding.

This interpretation of the Act is consistent with the legislative history for § 115. The Joint Explanatory Statement of the Committee of Conference accompanying House Conference Report No. 102-1018 for EPACT demonstrates that the conferees intended that IRP as addressed in § 115 be considered only for local distribution companies serving ultimate consumers of natural gas. The Statement further notes that IRP for natural gas utilities should examine and compare demand-side options with the general option of additional gas supplies. It expressly excludes an examination of the sources, conditions, or other characteristics of upstream gas supply as part of IRP for gas utilities.[1]

In its April 27, 1994 Order, the Commission directed its Division of Economics and Finance to give notice to the public of the captioned proceeding and set the matter for hearing for September 7, 1994. The same Order established a procedural schedule for interested parties, intervenors, and the Commission Staff, inviting them to address by testimony or comment, the standards, the issues identified in the Order, as well as issues of concern to the parties regarding the standards for natural gas utilities.

In response to the Commission's April 27 Order, Northern Virginia Electric Cooperative ("NOVEC"), the City of Richmond ("the City"), and Southwestern Virginia Gas Company ("Southwestern") each filed Comments. In its Comments, NOVEC noted its interest in the proceeding insofar as the adoption of standards affected gas utilities generally and impacted the service provided by NOVEC, an electric cooperative. Southwestern's filed comments supported the position taken by Roanoke Gas Company ("Roanoke") in Roanoke's prefiled testimony.

The City urged the Commission to adopt IRP and conservation and demand management standards which (i) prevent destructive competition between gas and electric utilities; (ii) encourage fuel substitution practices that reduce the cost of service for both gas and electric ratepayers; (iii) develop a comprehensive energy plan integrating gas and electric IRP; (iv) consider the cost of complying with existing state and federal environmental statutes and regulations; (v) encourage local distribution companies to conduct joint surveys and studies regarding the technical information necessary to evaluate demand-side alternatives at a reasonable cost; (vi) encourage a pilot DSM bidding program; and (vii) discourage policies that would reduce regional supply alternatives.

On the appointed day, the matter came for hearing before the Commission. Counsel appearing were Kristen Brown, Esquire, and John Epps, Esquire, for Commonwealth Gas Services, Inc. ("Commonwealth"); Donald Fickenscher, Esquire, for Virginia Natural Gas, Inc. ("VNG"); Donald R. Hayes, Esquire, for Washington Gas Light Company ("WGL"); James H. Jeffries, Esquire, and Charles H. Carrathers, III, Esquire, for United Cities Gas Company ("United"); Richard D. Gary, Esquire, for Virginia Electric and Power Company ("Virginia Power"); John D. Sharer, Esquire, for the Virginia Industrial Gas Users' Association ("VIGUA"); Edward L. Flippen, Esquire, for NOVEC; and Sherry H. Bridewell, Esquire, for the Commission's Staff. No intervenors appeared.

At the request of the participants, direct and rebuttal testimony were presented together. Witnesses for the Staff, Commonwealth, and WGL took the stand and were subject to cross-examination. By agreement of counsel, the testimonies of Jeffrey L. Huston on behalf of VNG, Richard K. Wrench for United, Robert W. Glenn, Jr. for Roanoke, Mary C. Doswell for Virginia Power, and Dr. Alan Rosenberg and Robert Cooper for VIGUA were received into the record without cross-examination. At the conclusion of the proceeding, the matter was taken under advisement.

II. SUMMARY OF THE PARTICIPANTS' POSITIONS AT THE HEARING

Connie Davies presented testimony on behalf of Commonwealth. She testified that the Commission should adopt the EPACT's provisions for gas IRP with modifications, advocating a comprehensive approach to IRP which considers the optimal fuel selection among energy suppliers. Ms. Davies testified that Commonwealth was committed to the development of demand-side management proposals and noted the importance of complete and timely recovery of DSM program cost-recovery as an essential component of IRP activities. Ms. Davies observed that demand-side management programs can influence the fuel use decisions of gas utility customers. She stated that to the extent electric utilities have the opportunity to implement DSM programs and gas utilities are not permitted to offer similar programs, gas utilities were placed at a competitive disadvantage. Witness Davies testified that she did not envision the expansion of IRP and DSM as having a negative impact on small businesses.

Commonwealth also presented testimony that supported the use of an automatic adjustment clause for recovery of lost revenues. Commonwealth witness Stalnaker testified that deferring costs associated with DSM programs without allowing recovery of associated carrying costs or rate base treatment for such costs exposed Commonwealth to underrecovery of program costs and created a regulatory disincentive to implementation of conservation and demand programs.

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[1] H.R. REP. No. 1018, 102d Cong., 2nd Sess. (1992) reprinted in U.S.C.C.A.N. 2472, 2474-75.

While Commonwealth witness Davies appeared to support a collaborative IRP process, Commonwealth witness Connell's rebuttal testimony stressed the need to incorporate an ability to make changes within an IRP approved by the Commission. He also recommended a five year planning horizon for IRP but acknowledged that the life cycle of many DSM programs extended beyond five years. He failed to explain how the need to change IRP proposals and the utility's need to keep information confidential could be accommodated within a collaborative process.

VNG presented the direct and rebuttal testimonies of Jeffrey L. Huston which were received into the record without cross-examination. Mr. Huston recommended that: (i) the Commission not adopt IRP for gas utilities as envisioned in EPACT; (ii) the Commission permit gas companies in Virginia the flexibility to pursue market responsive demand-side management ("DSM") programs which were in the public interest; and (iii) after gaining further experience with gas conservation and load management ("CLM") programs, the Commission reconsider the issue of gas IRP.

In his rebuttal testimony, Mr. Huston recommended that some gas utility forecast information should be treated as confidential. Witness Huston urged the Commission to recognize that cost recovery standards are potential policy tools that could influence a gas utility's decisions regarding conservation and demand management. VNG acknowledged that little evidence existed to suggest that stronger cost recovery measures are merited at present. VNG attributed this, in part, to the recent adoption of formal cost-benefit tests to evaluate such programs and the relative lack of experience that the natural gas industry has in applying these methods of evaluation.

WGL presented the direct testimony of Sandra K. Holland and the rebuttal testimony of Paul H. Raab. In her testimony, Ms. Holland recommended that the Commission reject the IRP standard set forth in EPACT unless the standard was broadened to include all cost-effective CLM strategies. Ms. Holland asserted that it was important to subject electric and gas utilities to similar standards when considering CLM programs since such programs could be used to induce customers to use one type of fuel over another. She supported adoption of EPACT's conservation and demand management standard in order to remove disincentives to gas utilities to sell less natural gas. Ms. Holland further proposed that mandatory demand-side bidding processes be adopted in order to ensure that small businesses were not adversely impacted by the adoption of the IRP standard.

In his rebuttal presented on behalf of WGL, witness Raab testified that the increasingly competitive environment confronting local distribution companies ("LDCs") required a broad definition of IRP. In his view, IRP defined narrowly as conservation or load management was incompatible with a competitive environment for gas utilities. Witness Raab also characterized lost revenue adjustments and decoupling mechanisms as inappropriate options to encourage conservation and load management investments in a competitive environment. He supported all-source bidding as an appropriate strategy to encourage cost effective CLM programs and to address the conflict between electric and gas utilities in an increasingly competitive environment. He asserted that revisions to gas utility purchased gas adjustment ("PGA") mechanisms and capacity release proposals found in VIGUA's testimony were beyond the scope of this investigation. He testified that giving LDC industrial customers a right of first refusal on the release of capacity may not maximize the value obtained for that capacity or benefit firm ratepayers.

United presented the direct and rebuttal testimonies of Richard K. Wrench. While witness Wrench supported IRP, Wrench urged the Commission to refrain from adopting specific rules that would require LDCs to adopt IRP plans or DSM programs that do not appropriately consider the uniqueness of each LDC and its market. He urged the Commission to allow fuel substitution and load shifting programs to be a part of a utility's IRP analysis. Mr. Wrench recommended that the Commission allow flexibility for a utility to cancel or change an IRP or DSM program that does not achieve expected results. He encouraged the Commission to develop guidelines providing a level playing field for gas and electric utilities in order to prevent the IRP process from impeding normal competition between these industries.

In his rebuttal testimony, Mr. Wrench asserted that gas planning was too uncertain to use forecasted data extending beyond five years. He testified that the supply-side of IRP should begin within a five year forecast of current needs, unaffected by any demand-side planning programs. Witness Wrench also noted that a degree of confidentiality was necessary for such plans and that the issue of confidentiality should be addressed on a case-by-case basis.

The testimony of witness Robert W. Glenn, Jr. was received into the record on behalf of Roanoke without cross-examination. Through Mr. Glenn's testimony, Roanoke urged the Commission not to adopt the IRP standard set out in § 115 without modification. It asserted that the standard be modified to include fuel switching and load growth programs. It questioned the cost effectiveness of formal IRP and DSM procedures. Roanoke was concerned about the additional costs formal IRP programs could add to the operating costs of small gas utilities. It requested that if the Commission adopted a mandatory IRP procedure for all gas utilities, that such a procedure provide for the complete and timely recovery of costs associated with IRP and DSM. It urged the Commission not to give electric companies an unfair market advantage over their gas utility competitors.

Mary Doswell's prefiled direct and rebuttal testimony on behalf of Virginia Power was received into the record without cross-examination. Through Ms. Doswell's testimony, Virginia Power asserted that a formal IRP process was unnecessary. It urged the continued practice of requiring annual resource plans to be filed with the Commission Staff for review. It stated that CLM programs should continue to be subject to Commission approval as contemplated by the Promotional Allowance Rules adopted in Case No. PUE900070. Virginia Power asserted that there would be little incremental benefit to utility ratepayers from a formal IRP process. It argued that a formal process could hinder the natural competitive processes currently driving IRP. Virginia Power urged the Commission to eliminate any financial disincentives which could be associated with the selection of demand-side resource options over supply-side options.

Through its rebuttal testimony, among other things, Virginia Power noted that: (i) any standards or requirements which emerge from the investigation should apply equally to gas and electric companies; (ii) under "least-cost" planning, supply-side and demand-side options should be evaluated on an equal basis, including regulatory treatment of cost-recovery; (iii) the policies and procedures currently in place allow effective competition among Virginia's gas and electric utilities; and (iv) the policies and procedures now in place with the filing modifications proposed by Staff are sufficient to achieve IRP objectives.

The direct and rebuttal testimony of Dr. Alan Rosenberg, together with the direct testimony of Robert Cooper, were received into the record on behalf of VIGUA without cross-examination. VIGUA urged the Commission to reject a formal IRP process and maintained that the objectives of IRP -- the lowest reasonable rates consistent with reliable service and efficient use of resources -- could be achieved effectively within the current regulatory framework. It cited the administrative costs associated with a formal IRP process, utility expectations that approval of its IRP guaranteed recovery of costs associated with programs approved as part of the IRP, and the tendency for special interest groups to view the IRP process as a vehicle through which they may achieve their preconceived agendas as reasons why the Commission should reject a formal IRP process.

VIGUA recommended that the Commission direct gas utilities to achieve reliable service at the lowest reasonable cost through the use of a modified PGA which would allow an LDC to retain a portion of the savings achieved by lowering the cost of gas until its subsequent rate case. VIGUA proposed that the balance of gas purchase savings be passed through to its sales customers. As another step to minimize gas costs, VIGUA recommended the use of cost-based, unbundled transportation rates and capacity release programs. With respect to capacity release, VIGUA asked the Commission to require LDCs to negotiate with their end-users for capacity packages sized in a fashion that does not preclude end-users from using such capacity.

Staff presented the testimony of three witnesses – Robert L. Lacy, Cody D. Walker, and Richard W. Taylor. Witnesses Lacy and Walker recommended that the Commission reject the § 115 IRP standard as administratively burdensome and costly. Staff suggested that the Commission's existing procedures through its five-year forecast review, with modifications, and its conservation and load management procedures adopted in Case No. PUE900070 were sufficient to address planning needs for gas utilities. Staff witness Lacy testified that adoption of the § 115 IRP and the investments in conservation and demand management standards would represent a departure from recently developed policies.

Witness Lacy also recommended that several changes be incorporated into the five year forecast data request. He suggested that the long term plans submitted by gas utilities should provide fundamental information concerning demand-side management plans. He proposed the use of a longer planning horizon, i.e., ten years, for gas utilities with significant demand-side management activities. Further, witness Lacy stated that much of the data in the forecasts filed by gas utilities could be made available for public review.

Staff witness Walker also urged rejection of the § 115 standards as vague, narrow, and costly to administer. He noted that the Commission's current policies provide sufficient flexibility for evaluation of CLM programs. He testified that the objectives of the § 115 standards could be addressed through incentive programs and improved pricing. He observed that continued movement towards cost-based rates and further rate unbundling would provide additional information to ratepayers, enabling them to make informed end-use decisions.

Witness Walker commented that improperly structured IRP policies could conflict with competitive forces and may result in the subsidization of appliances or equipment that would not otherwise be competitive in an open market. He observed that many commentators advocating fuel substitution as a part of IRP appeared to be attempting to provide natural gas utilities with a competitive marketing advantage over electric utilities.

Witness Walker addressed VIGUA's proposals to implement revisions to the PGA and to develop capacity release procedures for LDCs. He characterized these proposals as beyond the scope of the present investigation. Mr. Walker acknowledged that it may be appropriate to explore these issues in future proceedings.

Mr. Walker also explained the Staff's review of gas utility acquisition practices. He stated that Staff reviewed gas utility capacity release programs through informal data requests in the context of PGA filings and in rate cases. He testified that upon request of an industrial customer, Staff would make data filed in response to these informal data requests available to requesting customers. Mr. Walker also stated that Staff would consider expanding the five-year forecast data to include information concerning LDCs' capacity release programs. He cautioned that because capacity release programs were relatively new, it was inappropriate to develop formalized filing requirements for such programs.

Staff witness Taylor testified about the accounting treatment to be accorded DSM programs. He concluded that it was unnecessary to adopt the standards set out in § 115 because existing ratemaking and accounting policies provide sufficient opportunity for gas utilities to recover their costs and investments in CLM programs. The Staff opposed cost recovery for such programs through an automatic adjustment mechanism because, in Staff's view, automatic recovery of such costs would remove them from the rigorous review to which they would be subjected in a rate proceeding. All Staff witnesses acknowledged that the traditional rate setting process provided little incentive for gas utilities to promote programs that conserved natural gas. They recommended that rate recovery for CLM programs be treated on a case-by-case basis. Witness Taylor concluded that the accounting conventions available for supply-side costs under Commission policies should also be available for demand-side costs.

III. DISCUSSION

In recent years, both the framework for federal regulation of the natural gas industry and the industry itself have undergone a radical transformation. Prior to the enactment of the Natural Gas Policy Act of 1978 ("NGPA"), 15 U.S.C. §§ 3301-3442 (West Supp. 1990), the interstate distribution of natural gas was regulated under a "just and reasonable" standard established by the Natural Gas Act ("NGA"), 15 U.S.C. §§ 717-717w (1988), under which the Federal Power Commission ("FPC") prescribed "just and reasonable" rates for pipelines and producers selling natural gas for resale in interstate commerce. See 15 U.S.C. § 717c. During the late 1960s and the early 1970s, the wellhead prices for interstate natural gas were low, while the prices for gas in intrastate markets were unrestrained and rose to meet demand. The federal price restraints at the wellhead encouraged the consumption of gas in intrastate markets and, at the same time, discouraged producers from dedicating reserves to the pipelines serving the interstate markets. Gas shortages resulted.[2]

In reaction to the shortages of natural gas in the interstate market, Congress enacted the NGPA, establishing a framework for the partial decontrol of natural gas at the wellhead. The NGPA also included provisions to restrain demand for natural gas. Under the law's incremental pricing scheme, P.L. No. 95-621, §§ 221-08, 92 Stat. 3371-81 (Repealed 1987), pipelines and LDCs were required to charge higher prices for natural gas to industrial gas users.[3] Further, the Power Plant and Industrial Fuel Use Act of 1978 ("FUA"), P.L. No. 95-620, 92 Stat. 3289 (codified in scattered sections of 15, 42, 45, and 49 U.S.C.), prohibited burning natural gas in industrial facilities and electric power plants.

At the same time, other forces worked to control the demand for natural gas. The economic recession of the early 1980s shrunk natural gas markets, and consumers reacted to higher natural gas prices by reducing consumption and switching to less expensive fuels. Thus, the interstate natural gas market was transformed from one in which there was a perceived shortage of supply to one in which there was an actual excess of deliverability.

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[2]Donald F. Santa, Jr. and Patricia J. Beneke, "Federal Natural Gas Policy and the Energy Policy Act of 1992", 14 Energy Law Journal 1, 4-7 (1993).

[3]Id., 14 Energy Law Journal at 5 (1993).

Since 1987, Congress has repealed the incremental pricing provisions of the NGPA, amended FUA to eliminate virtually all restrictions on the use of natural gas in electric power plants and other major fuel burning installations, and decontrolled all of the remaining NGPA regulated gas. Further, enactment of the Clean Air Act Amendments of 1990, P.L. No. 101-549, 104 Stat. 2399 (1990), has created a role for natural gas as a cost-effective option for compliance with the market based acid rain program. This program is designed to reduce sulfur dioxide emissions through an allowance and emissions trading program.

EPACT itself contains provisions intended to stimulate natural gas production and usage and to promote the development of new markets for natural gas usage. See for example, provisions dealing with alternative minimum tax preferences for depletion and intangible drilling cost of independent oil and gas producers and royalty owners, 106 Stat. at 3023-24; and § 2013 of the Act, 106 Stat. at 3059, which directs the Secretary of Energy to conduct a five year program to increase the recoverable natural gas resource base.

The Federal Energy Regulatory Commission ("FERC"), the successor to FPC, has also responded to the changes in the natural gas market. In 1984, for example, it created an opportunity for LDCs to take advantage of competitive wellhead markets with the issuance of Order No. 380, which invalidated fixed cost minimum bills and minimum take obligations in pipeline tariffs.[4] In 1985, it issued Order No. 436 which further redefined the role of interstate pipelines.[5] Order No. 436 in effect required pipelines to become open access, non-discriminatory transporters of natural gas. Pipelines were encouraged to permit their firm sales customers to convert their entitlement of firm sales service to volumetrically equivalent entitlement of firm transportation service over five years. Order No. 436, and its successor, Order No. 500, 52 Fed. Reg. 30,334, effectively began to phase out the aggregator/merchant role of interstate pipelines.

FERC's Order No. 636 further altered the structure of services provided by interstate natural gas pipelines.[6] This restructuring rule expressly sought to promote greater competition among natural gas suppliers by requiring pipelines to provide equal quality transportation service to customers regardless of whether natural gas was purchased from the pipeline or from another supplier.[7] It further limited the role of interstate pipelines to that of transporters and providers of storage rather than the role of merchants.

It is against this federal legislative and administrative framework that we are called upon to consider adoption of EPACT standards. Adoption of these standards would require a formal procedure to consider integrated resource plans for each regulated Virginia natural gas utility. By definition, these standards do not expressly include load building programs, but instead encourage energy conservation, energy efficiency, and load management initiatives for LDCs.

In our opinion, integrated resource planning may serve the public good by minimizing unnecessary or excessive energy use, considering the applicability of all fuel resources, and determining the best fuel resource for end use at the lowest possible cost. However, as this record demonstrates, a mandatory, formal approval process provides few benefits to either natural gas utilities, natural gas customers, or regulators. As many gas utility participants noted, use of a formal, generic IRP process requires a commitment of time and resources. Further, once adopted, a plan may become outdated, while circumstances and market conditions continue to change. The need to accommodate changing circumstances by incorporating flexibility in an IRP inhibits the value of the plan approval process, creating problems for those participating in the process. As demonstrated by the testimony received in this record, gas utilities appear to want the safe haven that approval of an IRP provides and the flexibility to change the approved plan whenever they believe necessary. Many of the Virginia LDCs participating in this proceeding are already engaged in some form of IRP and will continue such planning regardless of whether we adopt a formal IRP process. Tr. at 85-86.

No gas utility submitting comments or testimony was able to identify a substantive benefit arising from the adoption of an IRP standard requiring the mandatory submission and formal approval of integrated resource plans. For example, Commonwealth witness Davies admitted that there was nothing Commonwealth could achieve via a formal IRP process that it could not now accomplish under current Commission policies. Tr. at 118-120.

The only benefit cited by gas utility participants arising from a formal IRP process was the likelihood of enhanced recovery of costs for programs approved as part of an overall IRP. Tr. at 119. Even this potential benefit is illusory, as Commonwealth witness Davies conceded, since nothing in our current CLM policies prohibits an LDC from seeking approval of the rate treatment it believes appropriate for such programs. Tr. at 118-120, 122.

Currently, we employ a less formal procedure to scrutinize gas supply and planning practices for Virginia LDCs. This informal review employs a five-year forecast, with an annual Staff review of gas purchasing practices for large LDCs, and biennial review of such practices for smaller gas utilities. Complementing this analysis is a quarterly review by Staff of a Virginia LDC's gas purchasing decisions through review of the utility's PGA data. These procedures were adopted in Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte, in the matter of establishing an investigation of gas purchasing, procurement practices, and gas cost recovery for Virginia gas utilities, Case No. PUE880031, 1988 S.C.C. Ann. Rept. 333, 336-337. Any discrepancy in purchasing, planning and acquisition of gas supply may be the subject of a rule to show cause or may be explored further in a gas utility's rate case.

The information collection vehicle for the gas supply forecast is a data request, wherein Staff develops information forecasted over five years. Admittedly, gas forecasting is an uncertain process. However, the advent of capacity release and the implementation of pilot conservation and load management programs by Virginia gas utilities may render it appropriate to broaden the informational context in which we evaluate LDC purchasing decisions. To this end and in exercise of our plenary authority under Virginia Code §§ 56-36, -235.1, and -249 to obtain information about utility operating efficiency and use of resources, we will direct our Staff to gather additional data about demand-side management programs, capacity release programs, and other natural gas utility plans and practices which affect the supply, acquisition, and delivery of natural gas to Virginia end-users. Because DSM programs may extend beyond five years in length, we hereby authorize Staff to request additional forecast and other data from Virginia LDCs with DSM and capacity release programs. In this way, we will develop a more comprehensive picture of the factors affecting Virginia LDC planning.

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[4] See Elimination of Variable Costs from Certain Natural Gas Pipeline Minimum Commodity Bill Provisions, Order No. 380, 49 Fed. Reg. 22,778 (1984), aff'd, Wisconsin Gas Co. v. FERC, 770 F.2d 1144 (D.C. Cir. 1985).

[5] See Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol, 50 Fed. Reg. 42,408 (1985) vacated and remanded, Assoc'd. Gas Distrib. v. FERC, 824 F.2d 981 (D.C. Cir. 1987), readopted on an interim basis, Order No. 500, 52 Fed. Reg. 30,334 (1987).

[6] Order No. 636, III FERC Stat. and Regs., ¶30,939 at 30,389 (1992).

[7] Order No. 636, III FERC Stat. and Regs., ¶30,939 at 30,389, 30,391 (1992).

We will address the issue of accessibility to plan data filed by Virginia LDCs on a case-by-case basis. We encourage Staff to make nonproprietary data available to LDC customers upon request. LDCs should file their data with Staff in both a redacted and nonredacted form to accommodate requests by LDCs' customers for review of this information.

Our policies regarding conservation and load management programs were established in our March 27, 1992 Final Order and June 28, 1993 Order entered in 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. As we noted in the March 27 Order, we are encouraged about the role conservation can play in Virginia. However, we noted in that Order that a cautious approach was necessary 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.[8] We therefore promulgated rules establishing the conditions under which gas and electric utilities operating in Virginia could recover reasonable costs associated with promotional allowances to customers.[9] We require utility applicants proposing a promotional allowance program to demonstrate that their program is reasonably calculated to promote the maximum effective conservation and use of energy and capital resources in providing energy services. Promotional allowance programs must be cost justified using appropriate cost/benefit methods. Utilities proposing a promotional allowance program that would have a significant effect on the sales level of an alternative energy supplier must consider the effect of the program on the supplier, and demonstrate that the program serves the overall public interest.[10]

The June 28, 1993 Order Issuing Rules on Cost/Benefit Measures entered in the same docket adopted a multi-perspective approach to evaluate conservation and load management proposals. This Order directed that an applicant seeking approval of a DSM program should analyze the program using, at a minimum, the Participants Test, the Utility Cost Test, the Ratepayer Impact Test, and the Total Resource Cost Test to evaluate such programs.[11]

Further, in our June 28, 1993 Order, we permitted gas and electric utilities to file packages of programs, but advised that utilities should assure themselves that the programs collectively benefited their resource plans. We directed that a cost/benefit analysis for each individual program be available, even if the application filed with the Commission sought approval of a package of programs. Further, we required utilities to file reports available to the public with the Staff, which identified all experimental programs at least 30 days prior to the program's implementation, together with periodic updates on the results of the experiment. Comprehensive reports on the status of all experimental or pilot programs were to be filed at least semi-annually with our Division of Economics and Finance. Id., 1993 S.C.C. Ann. Rept. at 245.

The record before us demonstrates that Virginia gas utilities have limited experience in developing conservation and demand-side management programs in Virginia. Virtually all of the gas utilities filing comments and testimony in the proceeding noted that DSM programs influence the fuel choices made by end-users. They opined that the definition of DSM programs should include load building initiatives and allow gas utilities to retain or increase their markets. See Ex. CBD-4 at 7-11. Ex. SKH-12 at 5-6. Ex. PHR-13(R) at 7. Tr. at 94, 127, 130-131. However, little testimony was offered on how specific conservation programs could be designed to reduce gas usage by existing gas customers. For example, Commonwealth witness Davies identified peak clipping as an appropriate DSM objective, Ex. CBD-4 at 9, but during cross-examination, admitted that Commonwealth has not sought approval for any peak clipping CLM programs in Virginia. Tr. at 122-123.

Witnesses Stalnaker, Huston and Holland each testified that there were financial and operational disincentives which discouraged LDCs from developing and implementing programs that reduced natural gas usage. They requested that the Commission consider regulatory incentives to motivate LDCs to develop such programs. Ex. RGS-9(R) at 3; Ex. JLH-11(R) at 4; and Ex. SKH-12 at 27-28.

As we noted in our March 27, 1992 Final Order in the CLM investigation, conservation will play an important role in the development and use of fuel resources in Virginia. However, conservation at any cost is inappropriate. We decline in this case to adopt an approach which encourages Virginia LDCs to implement programs which are primarily designed to promote load growth or market share without serving the overall public interest. As acknowledged by our Staff and several participants in this proceeding, our current CLM policy offers the opportunity and the flexibility for natural gas utilities to develop CLM programs. Our policy specifies minimum tests against which all applicants' CLM proposals may be evaluated. Under this policy, neither gas nor electric CLM programs are treated differently. Thus, neither gas nor electric competitors are offered a competitive advantage.

Moreover, as our June 27, 1994 Final Order entered in Application of Appalachian Power Company, For a general increase in rates, Case No. PUE920081, states, a distinction can and should be made between utility "conservation" and "load management" programs. Under the latter, a utility's sales may be shifted to its off-peak period, preserving some level of utility profit, while reducing the utility's operating expenses. In contrast, with conservation, a utility may actually lose sales and, thus, profits. June 27, 1994 Final Order, Case No. PUE920081 at 13.

We recognize that there may be financial disincentives associated with LDC development and implementation of programs that reduce gas usage. We acknowledge that increased natural gas consumption may be beneficial in many respects. In fact certain federal policies encourage natural gas usage. Increased natural gas usage may facilitate compliance with the Clean Air Act Amendments of 1990 through fuel switching at coal or oil fired generating units and through the use of natural gas powered vehicles. Increased throughput for LDCs and pipelines may also serve to lower natural gas rates if increased throughput does not require additional facilities or result in higher purchased gas demand costs.

However, it is difficult to distinguish between programs which are designed to conserve gas usage and those which are promotional in effect. For example, incentives for higher efficiency gas furnaces may in some instances promote fuel switching rather than decreased natural gas consumption. Therefore, ratemaking incentives designed solely to promote energy conservation may fail to encourage other programs that are in the public interest or that have the unintended consequences of increasing natural gas usage through gains in natural gas market share. Given the difficulty of identifying "pure" conservation

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[8]March 27, 1992 Final Order, 1992 S.C.C. Ann. Rept. at 263.

[9]Id., 1992 S.C.C. Ann. Rept. at 265.

[10]Id., 1992 S.C.C. Ann. Rept. at 265, Slip. Op., Attachment A, § IVA(5).

[11]Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In re: Investigation of Conservation and Load Management Programs, Case No. PUE900070, 1993 S.C.C. Ann. Rept. 242, 244-245.

programs and the probability of overlooking beneficial programs, we conclude that it is not appropriate to develop ratemaking incentives strictly for the purpose of promoting conservation. Therefore, we encourage LDCs seeking permanent implementation of conservation and load management programs demonstrated to be in the public interest to develop recommendations regarding ratemaking incentives appropriate to each of their circumstances. Such an approach will encourage innovation and provide for flexible regulatory policies that are appropriate for each Virginia LDC's size, load profile and resources.

IV. CONCLUSION

In sum, adoption of a formal IRP process as envisioned by § 115 of EPACT does not appear to promote and indeed may be detrimental to the public interest. This standard does not appear to offer sufficient flexibility, and may increase regulatory costs to the participants in the IRP approval process, without substantive countervailing benefits. We encourage Virginia natural gas utilities to continue to develop and employ comprehensive planning strategies. Virginia LDCs should use existing CLM procedures to seek approval for CLM programs which they can demonstrate to be in the public interest. As part of Virginia LDCs' planning strategies, we expect LDCs to maintain continuing dialogues with their customers in an effort to better ascertain these customers' energy needs and to respond to those needs. Staff should continue to work with and develop data with respect to LDC planning processes and LDC customer needs to monitor more comprehensively these utilities' planning processes and service performance.

While we do not adopt the investments in conservation and demand management standard set out at § 115 of the Act, we remain sensitive to the need for development of conservation and load management programs that are in the public interest. Because we have not adopted § 115's integrated resource planning or conservation and demand management standards, we find it unnecessary to address the impact of implementation of such standards on small businesses.

Further, the Commission remains committed to the goal of promoting cost-effective conservation programs. We believe conservation programs can promote the public interest in Virginia and can contribute to the realization of a proper balance of demand-side and supply-side resources. Conservation programs are particularly attractive because of the environmental benefits they offer. The environmental benefits of conservation programs, while often difficult to measure, are nevertheless, very real. We encourage utilities to develop conservation programs that are not only economically sound but also contribute to the protection of the environment that we all must share.

We also encourage utilities to focus on energy efficiency when developing their long-term strategic plans. Energy efficiency is one of the more important factors considered by consumers in making choices between electric, gas, and oil appliances and equipment. Electric and gas utilities should compete for customers by providing accurate information about the efficiencies and features of various types of HVAC equipment. A healthy competition can be facilitated by integrated resource planning techniques. However, integrated resource planning should not be used as a tool simply to market increased use of gas or electricity or indiscriminately gain market share at the expense of a competitor.

Accordingly, for the reasons set out herein, it is ordered that the standards set out at § 115 of EPACT be rejected; and that this matter be dismissed. The papers filed herein shall be placed in the Commission's files for ended causes.

CASE NO. PUE940032
SEPTEMBER 28, 1994

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For certification of utility facilities and amendment of a certificate of public convenience and necessity pursuant to Va. Code §§ 56-265.2 and -265.3

ORDER AMENDING CERTIFICATE

On May 16, 1994, Washington Gas Light Company ("WGL" or "the Company") filed an application requesting authority to amend Certificate of Public Convenience and Necessity No. G-51h authorizing the Company to provide public utility gas service to the addresses identified below:

8401 Cabin Branch Court, Manassas, Virginia
8406 Cabin Branch Court, Manassas, Virginia
8409 Cabin Branch Court, Manassas, Virginia
8413 Cabin Branch Court, Manassas, Virginia
8416 Cabin Branch Court, Manassas, Virginia
8419 Cabin Branch Court, Manassas, Virginia
8420 Cabin Branch Court, Manassas, Virginia
8424 Cabin Branch Court, Manassas, Virginia
8425 Cabin Branch Court, Manassas, Virginia
8428 Cabin Branch Court, Manassas, Virginia
8431 Cabin Branch Court, Manassas, Virginia
8432 Cabin Branch Court, Manassas, Virginia
10105 Lake Jackson Drive, Manassas, Virginia
10107 Lake Jackson Drive, Manassas, Virginia
10111 Lake Jackson Drive, Manassas, Virginia
10135 Lake Jackson Drive, Manassas, Virginia
10137 Lake Jackson Drive, Manassas, Virginia
10148 Lake Jackson Drive, Manassas, Virginia
10152 Lake Jackson Drive, Manassas, Virginia
10206 Lake Jackson Drive, Manassas, Virginia
10216 Lake Jackson Drive, Manassas, Virginia

In its application, the Company noted that the foregoing addresses are located within Commonwealth Gas Services, Inc.'s ("Commonwealth's") service territory. It proposes to provide service from a gas main, located in close proximity to these addresses which the Company was authorized to construct in Commonwealth's service territory. The Company represented in its application that it would have to install a service line, regulator, and meter to provide natural gas service for each of the addresses identified herein. WGL requested a certificate of public convenience and necessity authorizing it to construct and operate these distribution facilities.

By Order dated August 2, 1994, the Commission docketed the captioned matter and directed the Company to give notice of its application to interested parties on or before August 19, 1994. That Order also invited interested parties to file written comments or requests for hearing on the application on or before August 31, 1994.

By letter dated August 5, 1994, the Company furnished proof of the notice required by the Commission's Order for Notice. In a letter filed with the Commission on August 31, 1994, Commonwealth advised that it did not oppose WGL's application. No other comments or requests for hearing were filed.

On September 9, 1994, the Commission Staff filed its Report in the captioned matter. The Staff recommended approval of the application.

On September 16, 1994, Commonwealth, by counsel, advised that it consented to amendment of its Certificate of Public Convenience and Necessity No. G-37g to conform with any amendment granted to WGL's service area.

NOW THE COMMISSION, having considered the application, the pleadings, the Staff Report, and the applicable statutes, is of the opinion and finds that it is in the public interest for WGL's Certificate of Public Convenience and Necessity No. G-51h to be amended to include the addresses described in Appendix A as well as the addresses we have authorized WGL to serve in Case Nos. PUE920062 and PUE930067. The residences granted to WGL in Case Nos. PUE920062 and PUE930067 were 8410, 8433, and 8435 Cabin Branch Court, Manassas, Virginia 22111. We further find that it is in the public interest for the Company to construct and operate the utility facilities identified in its application as necessary to provide service to the 21 addresses identified herein in Appendix A. In addition, we find it appropriate to amend Commonwealth's Certificate of Public Convenience and Necessity No. G-37g to exclude the 21 addressees identified in Appendix A, as well as the three addresses noted above.

Accordingly, IT IS ORDERED:

(1) That, pursuant to Va. Code § 56-265.2, the Company shall be granted a certificate of public convenience and necessity for the construction and operation of the utility facilities described in its application in order to provide natural gas service to the residences identified in Appendix A hereto;

(2) That, on or before October 16, 1994, WGL shall file with the Division of Energy Regulation a map delineating its distribution service territory within Prince William County and identifying the location of the utility facilities certificated herein;

(3) That, pursuant to Va. Code §§ 56-265.2 and -265.3, upon filing of the required map, Certificate of Public Convenience and Necessity No. G-51h authorizing WGL to provide gas service in portions of Prince William County shall be canceled, and Certificate of Public Convenience and Necessity No. G-51i shall be issued to WGL, which certificate shall include the 21 addressees identified in Appendix A hereto, together with the following addresses the Commission authorized WGL to serve in Case Nos. PUE920062 and PUE930067: 8410, 8433, and 8435 Cabin Branch Court, Manassas, Virginia 22111;

(4) That Certificate No. G-37g, authorizing Commonwealth to serve Prince William County shall be canceled, and Certificate of Public Convenience and Necessity No. G-37h shall be issued to Commonwealth, which certificate shall exclude the addresses identified in Appendix A hereto, together with the following addresses the Commission authorized WGL to serve in Case Nos. PUE920062 and PUE930067: 8410, 8433, and 8435 Cabin Branch Court, Manassas, Virginia 22111;

(5) That copies of this Order shall be placed in Certificate File Nos. 10314 and 10165, which are lodged in the Commission's Division of Energy Regulation; and

(6) That this case be dismissed from the Commission's docket of active proceedings and the documents filed herein placed in the file for ended causes.

NOTE: A copy of Appendix A entitled "Addresses to be Served by Washington Gas Light 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. PUE940033
JULY 1, 1994

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 1994/95 FUEL FACTOR

On May 17, 1994, Delmarva Power & Light Company ("Delmarva" or "the Company") filed with the Commission written testimony, exhibits, and proposed tariffs intended to decrease it zero-based fuel factor from 1.985¢ per kWh to 1.712¢ per kWh effective with the billing month of July 1994, without proration. The Company also requested approval of a change in its fuel factor tariff sheet to credit electric fuel expenses with certain revenues associated with natural gas received by Delmarva through its facilities interconnecting with Texas Eastern Transmission Corporation ("TETCO"). The facilities interconnecting with TETCO are hereinafter referred to as "the TETCO line." The TETCO line placed in service on June 1, 1993, consists of a 4.5 mile 16-inch pipeline extending from TETCO's interstate pipeline to Delmarva's Claymont, Delaware Gate Station at the Pennsylvania-Delaware border. The TETCO line is owned by Delmarva, and investments and expenses associated with the TETCO line are reflected in accounts from which rates paid by Delmarva's electric customers are derived. The proposed change would reduce the fuel rate charge by the Company's electric customers when the TETCO line is used by the Company's gas customers. Delmarva stated that it does not anticipate using the TETCO line to serve gas customers prior to November 1, 1995.

By order dated May 24, 1994, the Commission established a procedural schedule and set a hearing date. In that regard, the Commission directed its Staff to file testimony on the reasonableness of Delmarva's application and provided an opportunity for any person desiring to participate in the hearing to do so as a Protestant. No notice of protest or a protest was received in this proceeding.

On June 20, 1994, Commission Staff filed its testimony finding that Delmarva had complied with the Commission's standards for evaluating fuel cost projections of electric utilities and that the Company's proposed estimates and projections were reasonable. Accordingly, Staff recommended approval of the fuel factor reduction and took no issue with the proposed change to the Company's fuel factor tariff sheet.

On June 22, 1994, Delmarva filed a letter stating that no rebuttal testimony would be filed, as there were no issues between the Company and Commission Staff. Attached to the letter was the Company's proof of service.

The hearing of this case was held on June 28, 1994. As there were no issues remaining between Delmarva and Commission Staff, the Company's application, testimony, and exhibits as well as Staff's testimony were admitted into the record without need for cross-examination.

UPON CONSIDERATION of the record in this case, the Commission is of the opinion that a decrease in the Company's zero-based fuel factor from 1.985¢ per kWh to 1.712¢ per kWh is appropriate and that the proposed change to Company's fuel factor tariff sheet complies with the Commission's definitional framework for fuel expenses for Delmarva. Approval of this fuel factor and Fuel Rate Clause, however, is not to be construed as approval of the Company's actual fuel expenses. Commission Staff files a report annually which addresses the reasonableness of the Company's actual fuel expenses ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's fuel factor proceeding, all of whom are provided an opportunity to comment and request a hearing on the Report. Should the Commission find, based on the foregoing, that the Company's actual fuel expenses have been imprudent, the Company's recovery position will be adjusted. This adjustment will be reflected in the Company's next fuel factor. Accordingly,

IT IS ORDERED that a zero-based fuel factor of 1.712¢ per kWh is hereby approved effective with the billing month of July 1994, without proration.

CASE NO. PUE940034
NOVEMBER 4, 1994

PETITION OF
FOSTER BROTHERS, INC.

For an interpretation of Virginia Electric and Power Company's Schedule 27

FINAL ORDER

On June 6, 1994, the Commission entered its Order Requiring Stipulation and Providing Opportunity for Response, docketing an informal letter of complaint received from Foster Brothers, Inc. ("Foster Bros." or "Petitioner") as a Petition pursuant to Rule 3:4 of the Commission's Rules of Practice and Procedure. That Order required the Foster Bros. and Virginia Electric and Power Company ("Virginia Power" or "Company") to stipulate to facts necessary for the resolution by the Commission of the complaint raised by Petitioner. That complaint requested, in substance, that Virginia Power be directed to provide street and security lighting to a residential real estate development being constructed by Foster Bros. Resolution of the complaint necessitated an interpretation of Virginia Power's Schedule 27 under which the Company provides such service.

On June 17, the parties filed the stipulation and thereafter filed their briefs and comments. On October 5, 1994, the Report of Glenn P. Richardson, Senior Hearing Examiner ("Report") was filed, recommending that the Petition be denied, but that Virginia Power be directed to amend Schedule 27 to clarify its application. Neither party filed comments or exceptions to the Report.

NOW THE COMMISSION, having considered the pleadings of the parties as well as the Report, is of the opinion and finds that the recommendations and findings of the Report are supported by the record and should be adopted. While of Schedule 27 is not a model of draftsmanship, and its language somewhat less than clear, the Commission is of the opinion that it was intended that the one-year moratorium period provided for in Paragraph II.A of the Schedule apply to developers of multiple, single-family dwellings. Accordingly,

IT IS ORDERED:

(1) That the Petition of Foster Bros. be, and hereby is, denied;

(2) That Virginia Power amend its Schedule 27 to clarify that residential real estate developers constructing multiple, single-family homes are subject to the one-year waiting period set forth in Paragraph II.A and shall submit such revision to the Commission Staff for review; and,

(3) There being nothing further to come before the Commission, the papers herein be transferred to the file for ended causes.

CASE NO. PUE940035
SEPTEMBER 16, 1994

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For a certificate of public convenience and necessity to construct and operate a 230 kV transmission line and substation in Banister Magisterial District in Halifax County

ORDER GRANTING CERTIFICATE

On June 20, 1994, Mecklenburg Electric Cooperative ("Mecklenburg" or "the Cooperative") completed its application to the State Corporation Commission ("Commission") for amendment of its certificate of public convenience and necessity to construct and operate a transmission line and a substation. The Cooperative's application states that it is necessary to construct the line and substation to serve a 310,000 square foot manufacturing facility which J. M. Huber Corporation ("Huber") proposes to construct in the Cooperative's service territory. The easement for the entire project will be obtained from Huber. The proposed transmission line will tap the Virginia Power #31 line between structures 27 and 28 and will run in a northeasterly direction along abandoned state Route 823 for approximately 0.76 miles and terminate in the proposed substation. The line and substation will be dedicated to the Huber load. The line will initially operate at 115 kV but is anticipated to convert to 230 kV after the year 2005.

By Order of July 1, 1994, the Commission docketed the captioned matter, directed the Cooperative to give notice to the public of its application, and established procedures for requesting a hearing and submitting written comments. On August 30, 1994, Mecklenburg filed proof of the service of a copy of our July 1, 1994 Order on state and local officials and proof of newspaper publication of notice. Accordingly, we find that appropriate notice of the application was given as required by Va. Code Ann. §§ 56-46.1 and -265.2.

In response to the public notice, the Commission received no requests for hearing. The Halifax County Board of Supervisors filed comments wherein it supported the application and unanimously endorsed issuance of a certificate of public convenience and necessity to Mecklenburg for this project.

On September 6, 1994, the Commission's Division of Energy Regulation filed a Staff Report on this application. The Staff analyzed the proposal and recommended that the Commission grant the application.

As noted in the July 1, 1994 Order, the proposed line and substation are necessary to provide service to a new 310,000 square foot manufacturing facility which Huber is constructing on Huber's property in Halifax County. No other facilities are presently available to serve the needs of the proposed project. While the line will be initially operated at 115 kV, it is expected to be converted to 230 kV after the year 2005. The proposed transmission line and substation are all located on the Huber industrial property site, located in Mecklenburg's certificated service area.

The Cooperative provided copies of its application to a number of state environmental agencies. The Department of Environmental Quality ("DEQ") coordinated the review of this application for these agencies. According to DEQ, "[n]one of the reviewers raised significant environmental issues related to this proposal. A number of reviewers, however, noted applicable regulations or suggested practices which would minimize the environmental impact of the project."

Based upon the Cooperative's application, the Commission's experience with similarly sized lines in recent cases, and the Staff's on-going analysis required by the 1985 Senate Joint Resolution No. 126 and the 1993 Senate Joint Resolution No. 278, we are unable to identify any immediate health or safety concerns that would support denial of this application to construct and operate the proposed line and substation. The Cooperative has represented that its construction will comply with FERC's "Guidelines for Protection of Natural, Historic, Scenic, and Recreational Values in the Design and Location of Rights-of-Way and Transmission Facilities."

Upon consideration of the application, the Commission finds that the proposed route would appear to minimize adverse impacts on environmental and cultural features of the area; that there is a need for the proposed facility; and that no existing rights-of-way can be used to satisfy this need. We therefore find that the application should be granted.

Accordingly, IT IS ORDERED:

(1) That, pursuant to Va. Code Ann. §§ 56-46.1 and -265.2, this application be granted;

(2) That Mecklenburg is authorized to construct a 230 kV transmission line which will operate at 115 kV and will convert to 230 kV operation at a later date, and is also authorized to construct a substation to serve the J. M. Huber Corporation property in Halifax County, Virginia;

(3) That Mecklenburg be issued a certificate of public convenience and necessity as follows:

> Certificate No. ET-11a, for Halifax County, authorizing Mecklenburg Electric Cooperative to construct and operate a 0.76 mile 230 kV transmission line and a substation in Banister Magisterial District, Halifax County that will tap Virginia Power's Halifax -Altavista Transmission Line between structures 27 and 28, all as shown on the map attached thereto; and

(4) That this case be dismissed from the docket of active proceedings and the papers herein be placed in the files for ended causes.

CASE NO. PUE940036
NOVEMBER 9, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

> To Amend its Certificate of Public Convenience and Necessity Authorizing Operation of Transmission Lines and Facilities in Prince William County: Loudoun-Morrisville 500 kV Transmission Line, Loudoun - Gainesville 230 kV Transmission Line, and Loudoun - IBM 230 kV Transmission Line Relocation

FINAL ORDER

Before the Commission is the application of Virginia Electric and Power Company ("Virginia Power") to amend its certificate of public convenience and necessity for the County of Prince William to authorize the relocation of segments of its existing Loudoun-Morrisville 500 kV Transmission Line; its existing Loudoun - Gainesville 230 kV Transmission Line; and its existing Loudoun - IBM 230 kV Transmission Line. Pursuant to our order of June 27, 1994, public notice of this application was given, and a public hearing was conducted on October 4, 1994, in Manassas, Virginia, before a Commission hearing examiner. There were no intervenors or protestants in this proceeding. On November 2, 1994, Hearing Examiner Deborah V. Ellenberg filed her Report recommending that the Commission grant Virginia Power's application. Virginia Power filed on November 7, 1994, a waiver of its right to file comments on Examiner Ellenberg's Report.

Upon review of the record and consideration of the hearing examiner's report, the Commission finds that the public had proper notice of Virginia Power's application, and the Commission may take action. The Commission adopts Examiner Ellenberg's recommendation that the application be granted.

The three transmission lines affected by this application provide vital service to not only Virginia Power customers in Northern Virginia, but to customers of neighboring cooperative and municipal systems. There can be no question but that these facilities are needed. Since their construction, the portion of the right-of-way shared by these transmission lines has been incorporated into Manassas National Battlefield Park which is administered by the National Park Service, U.S. Department of Interior. The National Park Service has determined that the future development of the Manassas Battlefield requires moving these segments of transmission lines and right-of-way to another location on the Manassas Battlefield.

As described in Examiner Ellenberg's Report, the relocation of the transmission lines as proposed in this application was the subject of extensive planning and environmental analysis. The testimony and exhibits admitted into evidence at the hearing demonstrate that an intensive effort was made by Virginia Power and the National Park Service to identify and measure adverse environmental impact and to minimize or avoid these impacts. Virginia Power has pledged to implement a number of mitigation measures, and we assume that the continued oversight of the relocation project by the National Park Service will assure minimal adverse environmental impact. For all these reasons, we will grant the application.[1]

ACCORDINGLY, IT IS ORDERED:

(1) That, pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code of Virginia, this application be granted;

(2) That Virginia Power be authorized to construct and operate segments of its Loudoun-Morrisville 500 kV Transmission Line; its Loudoun - Gainesville 230 kV Transmission Line; and its Loudoun - IBM 230 kV Transmission Line on a relocated right-of-way within the boundaries of Manassas National Battlefield Park;

(3) That an amended certificate of public convenience and necessity be issued as follows:

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[1]The Commission noted in its order of June 27, 1994, that conveyance of the existing right-of-way to the U.S. Government after the relocation appeared to require our approval pursuant to the Utility Transfers Act, §§ 56-88 to -92 Va. Code Ann. As shown in the record, Virginia Power will file for appropriate approval when the relocation project approaches completion.

Certificate No. ET-105u, for Prince William County, authorizing the Virginia Electric and Power Company to operate previously certificated transmission lines and facilities and to relocate and operate segments of its Loudoun-Morrisville 500 kV Transmission Line; its Loudoun - Gainesville 230 kV Transmission Line, and its Loudoun - IBM 230 kV Transmission Line; all as shown on the map attached thereto; Certificate No. ET-105u will supersede Certificate No. ET-105t, issued March 12, 1991.

(4) That this case be dismissed from the docket of active proceedings and the papers herein be placed in the file for ended cases.

CASE NO. PUE940040
JUNE 17, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DOMINION RESOURCES, INC. and VIRGINIA ELECTRIC AND POWER COMPANY,
Defendants

ORDER ESTABLISHING INVESTIGATION AND RULES TO SHOW CAUSE

In 1983, in Case No. PUE830060, the State Corporation Commission initiated an investigation of the corporate reorganization of Virginia Electric and Power Company ("Virginia Power") into a holding company structure, with Dominion Resources, Inc. ("DRI") becoming the parent company. As part of the investigation, DRI and Virginia Power sought approval from the Commission for various aspects of the reorganization, including affiliates agreements, under Title 56 of the Code of Virginia. The Commission's review included an evaluation of the potential benefits and dangers arising from the creation of a holding company, and identification and implementation of measures necessary for the continued proper performance of the duties and responsibilities of Virginia Power to its ratepayers.

Protection of the public interest has been the touchstone of the Commission's investigation and the exercise of its continuing supervisory authority in these matters. During the course of its investigation in 1984, the Commission exercised its supervisory authority regarding Virginia Power's consideration of dividing the Company into separate business entities. The Commission examined whether it was in the public interest for Virginia Power to separate some or all of its generating capacity into an affiliated company and purchase electricity from that affiliate. The Commission found that such actions by Virginia Power and its affiliates, which could result in vertical disintegration of the utility and loss of jurisdiction by the Commission, were not in the public interest. They were enjoined. 1984 S.C.C. Ann. Rept. 438.

In the Opinion and Final Order dated June 30, 1986 ("1986 order") issued by the Commission in the reorganization case, additional measures were adopted to protect Virginia Power's ratepayers from potential harm from affiliate relationships established in the corporate reorganization. The Commission addressed the proper management and governance of the utility as follows:

> The central issue in this entire proceeding has been that of defining the relationship between the holding company, DRI, and its principal utility subsidiary, Virginia Power . . . [W]hat is the proper relationship between the directors and officers of Virginia Power and the directors and officers of DRI and other DRI subsidiaries? . . . .
>
> Regardless of the reorganization, the Commission must continue to look to the directors of Virginia Power for the proper management of that company, which is so vital to the well-being of this state . . . . The directors of a corporation providing a vital utility service . . . have the special obligation of managing the business and affairs of the utility so as to assure reliable and efficient service to ratepayers at reasonable rates.

1986 S.C.C. Ann. Rept. 249, 250.

The Commission stressed the responsibility of the board of directors of Virginia Power for the proper management of the utility, and the independent functioning of the utility's board was a paramount concern. The Commission observed that it expected the Virginia Power "directors to elect only capable individuals and to compensate them relative to their abilities and their contributions to Virginia Power. This responsibility belongs to utility directors."

The Commission also noted in the 1986 order that it had continuing authority and responsibility to protect the public interest regarding the corporate relationships among Virginia Power and its affiliates. With respect to the affiliates agreement between Virginia Power and DRI, the Commission stated as follows:

> If events show that additional measures are required to protect the public interest, we can reform or terminate the agreement. Also, Chapter 4 of Title 56 of the Code permits the disallowance of expenses under the affiliates agreement for ratemaking purposes.

The Commission stated in conclusion as follows:

> We believe that the conclusions we have reached will assure - for the time - adequate separations of utility services from the unregulated propensities of holding company activities. The Commission will, however, follow the development of DRI, Virginia Power, and Virginia Gas with much attention. Should the public interest require a review of the relationships approved in this opinion and order, the Commission will act promptly.

The Commission also expressly conditioned continued approval of the Virginia Power-DRI affiliates agreement upon compliance with the requirements established in the 1986 order, ordering as follows:

> That continued approval of this Virginia Power-DRI affiliates agreement be conditioned upon compliance with the conditions established in this Opinion and Order.

In addition to the conditions imposed through the 1986 order, the Commission's continuing authority over affiliate relationships and the proper functioning of the utility is clearly established in the Code of Virginia. Among many provisions, Virginia Code § 56-77 requires Commission approval of a broad range of contracts and arrangements between affiliates, while § 56-80 provides for continuing supervisory control over the terms and conditions of, and the continuing jurisdiction to modify and amend, such contracts and arrangements. Virginia Code § 56-35 gives the Commission the power and duty of "supervising, regulating and controlling all public service companies doing business in this State, in all matters relating to the performance of their public duties . . . and of correcting abuses therein by such companies."

Recent developments at Virginia Power and DRI raise serious concerns regarding the affiliate relationships between the companies and the proper management of Virginia Power. Of particular concern to the Commission is whether the management separation between Virginia Power and DRI contemplated by the 1986 order is being observed. The reason for these concerns is illustrated by a memorandum dated June 1, 1994, delivered to the Commission by the Organization and Compensation Committee of the board of directors of DRI and sent to the members of the boards of DRI and Virginia Power. That memorandum reports certain actions which raise questions about the functioning of the Virginia Power board as an independent body and its responsibility to select officers for the management of the Company. These are matters specifically addressed in the 1986 order.

The memorandum focuses on "the succession plan for Virginia Power, including its chief executive officer," authorizes employment of an executive search firm "to be charged with making recommendations to the Board of DRI for a candidate for the position of CEO for Virginia Power," and admonishes the directors and officers of DRI's subsidiaries that it would be inappropriate to take any action that would affect these matters "until consideration has been given by the DRI Board . . . ."

These activities raise questions as to whether the provisions of the 1986 order regarding the responsibility and independence of the Virginia Power board have been, and are being, observed by DRI. As we have stated, it is the responsibility of Virginia Power's board to manage the utility company, including the selection of its officers. Our chief concerns are whether recent actions violate the letter and spirit of the 1986 order and whether modification or termination of affiliates agreements between DRI and Virginia Power is warranted.

An examination of the roles of the respective boards of DRI and Virginia Power is not merely an academic inquiry into corporate governance. It bears directly upon matters which affect the utility and its ratepayers, and, consequently, the well being of Virginia citizens and businesses. Relations between DRI and Virginia Power which could potentially result in the loss of many of Virginia Power's senior management personnel would clearly affect the efficient and reliable operation of the utility for its customers and, consequently, bear directly upon the protection of the public interest. With these considerations in mind, we note that it is the board and officers of Virginia Power which have specific responsibilities to manage the utility efficiently and effectively, without diversion or interference from others. DRI does not have the authority or responsibility to direct Virginia Power in the performance of its public duties. Under the 1986 order, it is the responsibility of Virginia Power's board to make the decisions necessary for the proper management and operation of the utility, and it is the duty of both Virginia Power and DRI to recognize the separate roles of their respective boards of directors. Accordingly, the independent management and operation of the utility, by Virginia Power, the entity responsible to the public, is of paramount importance.

Recently, upon request of the parties, we have attempted to help mediate and resolve these controversies, in the hope that a swift and proper solution could be obtained. Unfortunately, satisfactory progress does not appear to have been made, and our concerns regarding the impact of DRI's actions on Virginia Power's ability to fulfill its public service obligations remain. The current turmoil and uncertainty may already be affecting the personnel of both companies, to the possible detriment of utility operations.

Absent a compelling need, the Commission does not intend to become involved in the management affairs of Virginia Power. We will, however, exercise our authority and responsibility to continue to protect the public interest from possible detriment from the Virginia Power-DRI affiliate relationship. We intend to see that the 1986 order is enforced, to take any remedial action necessary with regard to affiliates agreements between Virginia Power and DRI, and to discharge the other responsibilities assigned to us under the law of Virginia to see that the public interest is protected.

We will require that DRI show cause why it should not be found in violation of the 1986 order, and we will require that DRI and Virginia Power show cause why affiliates agreements between the companies should not be modified to include a requirement that the parties refrain from certain actions during the pendency of this proceeding.

Based upon the anticipated cooperation of the parties during this proceeding with respect to the need to maintain reliable and efficient utility operations, we do not believe that it is necessary to impose injunctive remedies at this time. The Commission will, however, direct that DRI and Virginia Power provide 21 days prior notice of any proposed change in Virginia Power's board or management personnel, effective as of the date of this order.

We will also investigate anew all affiliates arrangements and contracts Virginia Power may have, including those with DRI. Our investigation will determine whether compliance with the terms and conditions of the 1986 order by DRI and Virginia Power, their respective boards of directors and managements and others is adequate, whether existing affiliates arrangements and contracts between Virginia Power and DRI or others should be modified or terminated under applicable provisions of law, and whether all affiliates arrangements or contracts actually existing between Virginia Power and other entities have been identified, filed with and approved by the Commission.

ACCORDINGLY, UPON CONSIDERATION HEREOF, IT IS ORDERED THAT:

(1) Dominion Resources, Inc. and Virginia Electric and Power Company are made parties hereto;

(2) An investigation of Virginia Power's current operations and all affiliates arrangements and contracts between Virginia Power and DRI or other entities is hereby instituted to determine whether the terms and conditions of such affiliates arrangements and contracts should be modified or terminated, and

whether all such arrangements and contracts which actually exist between Virginia Power and other entities have been identified, filed with and approved by the Commission;

(3) DRI shall show cause, if any it can, by responsive pleading within 15 days of the date of this Order, why it should not be found in violation of the June 30, 1986 order entered in Case No. PUE830060 by failing to accord to the board of directors of Virginia Power the discretion to manage such company and select its officers in conformity with such board's best judgment, by dictating such decisions to said board and by circumventing such board's authority;

(4) DRI and Virginia Power shall show cause, if any they can, by responsive pleading within 15 days of this Order, why the affiliates arrangements between the companies approved by the Commission should not be modified to include, as a condition, the requirements that DRI, during the pendency of the Commission's investigation, refrain from discharging any of the current board or management of Virginia Power or taking any other action which might otherwise preempt any action ultimately found necessary as a result of this investigation, unless the change is made with the prior written approval of the Commission;

(5) During the pendency of this action, DRI and Virginia Power shall provide to the Commission not less than 21 days prior written notice of any proposed change in the current board or management of Virginia Power, unless the change is made with the prior written approval of the Commission;

(6) The Commission Staff shall immediately commence its investigation of the above matters and shall further institute, with the assistance of outside experts, as deemed necessary: (a) a management audit of the corporate organization and governing practices of Virginia Power and DRI, to the extent they may impact Virginia Power, and the potential impacts of these matters on utility service, and (b) an investigation to determine what entities, if any, other than DRI, exercise or are attempting to exercise any substantial influence over the policies and actions of Virginia Power, and, if so, whether the requirements of Virginia Code § 56-88.1 have been observed;

(7) DRI and Virginia Power shall respond to interrogatories and requests for production of documents within 10 days; and

(8) This matter is continued until further order of the Commission.

CASE NOS. PUE940040 and PUE940051
AUGUST 24, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DOMINION RESOURCES, INC. and VIRGINIA ELECTRIC AND POWER COMPANY,
Defendants

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: Investigation of Dominion Resources, Inc. and Virginia Electric and Power Company

ORDER CONTINUING PROCEEDING GENERALLY, AND INSTITUTING NEW PROCEEDING

On June 17, 1994, the Commission instituted Case No. PUE940040 against Dominion Resources, Inc. ("DRI"), and Virginia Electric and Power Company ("Virginia Power") for reasons which included "[r]ecent developments at Virginia Power and DRI [which] raise serious concerns regarding the affiliate relationships between the companies and the proper management of Virginia Power."

A major predicate for our initiation of this case was our Opinion and Final Order entered on June 30, 1986, in Case No. PUE830060 ("1986 order"), which concluded our original investigation of the reorganization of Virginia Power into a holding company structure. We said in our June 17, 1994, order in Case No. PUE940040 ("1994 order") that:

> Our chief concerns are whether recent actions violate the letter and spirit of the 1986 order and whether modification or termination of affiliates agreements between DRI and Virginia Power is warranted.

And, we noted:

> An examination of the roles of the respective boards of DRI and Virginia Power is not merely an academic inquiry into corporate governance. It bears directly upon matters which affect the utility and its ratepayers, and, consequently, the well being of Virginia citizens and businesses . . ..
>
> We will . . . exercise our authority and responsibility to continue to protect the public interest from possible detriment from the Virginia Power-DRI affiliate relationship.

The 1994 order was entered in response to circumstances that required Commission action to protect the public interest. After entry of that order, there followed two months of charges, counter-charges, revelations, media coverage, corporate actions and legal maneuvering which may have been unprecedented in Commission regulatory proceedings and, perhaps, in Virginia business relations in general.

Relief from this maelstrom finally occurred on August 16, 1994. That day, the two companies filed a Settlement Agreement with the Commission which describes various aspects of their mutual resolution of certain issues.[1] DRI and Virginia Power also filed a Joint Motion to Dismiss Governance Issues from Proceeding ("Joint Motion") which requests that the Commission dismiss what the companies call the "corporate governance" issues in Case No. PUE940040.

The announcement of this Settlement Agreement is an event of sufficient significance to cause us to re-evaluate the current status of this proceeding. In some respects the Settlement Agreement may resolve issues raised in our 1994 order; the Settlement Agreement does not, however, address other matters, such as affiliate transactions. In addition, developments to date have revealed a number of areas which require further investigation in order to ensure that the public interest is protected. For example, questions concerning the renegotiation of a coal transportation contract held by Virginia Power, which allegedly may have adversely affected utility rates, must be fully examined. Other issues requiring investigation include possible improper or unreimbursed use of Virginia Power personnel, facilities and funds, again with adverse impact on rates. Potential conflicts of interest issues have also been raised. In short, the progression of this case has lengthened the list of vital issues for review by the Commission.

And, if the posture of this case has changed in two months, the entire world of electric utilities has surely done so in the eleven years since DRI was created, and the eight years since our original investigation of this holding company structure was concluded. At the utility level, "cogeneration" as a concept was certainly well-known in 1983, thanks to PURPA,[2] but it was not a factor of the significance it is today. "Bidding" for generation had not yet been proposed. "Exempt wholesale generators," "allowance trading" and "dispersed energy facilities" were terms yet to be invented. Few had dared to suggest retail competition for electric utilities. All of these concepts, and others, now have considerable significance, indicating an evolving operating environment for companies like Virginia Power, whatever the nature of their ownership.

In addition to the new utility environment, there have been significant changes which likewise have occurred during the last decade at the holding company level. DRI's financial data for 1986, the year our original investigation was concluded, indicated that assets of non-utility subsidiaries comprised approximately $336 million, or 3.6% of the total company's asset base of $9.3 billion.[3] As evidenced in its latest annual report for calendar year 1993, the assets of DRI's non-utility subsidiaries have increased considerably since those early years, now comprising approximately $1.9 billion, or 14.3% of total assets of $13.3 billion.[4] Thus, while total DRI assets have grown 43% since 1986, its non-utility subsidiary assets appear to have grown 465% during the same period.

The legal framework has changed as well. In 1986, holding companies under the Public Utility Holding Company Act ("PUHCA"), were prohibited by PUHCA from acquiring more than five percent of a corporation owning or operating assets used for the generation, transmission or distribution of electricity, unless these assets would be "integrated" with the existing utility system.[5] This rule limited holding companies from acquiring distant utility businesses, obviously including utility businesses located outside the United States. With the passage of EPACT in 1992,[6] that rule was partially abolished. Now holding companies may acquire non-integrated wholesale generation facilities anywhere in the world, and non-integrated retail facilities anywhere outside the United States.

We have briefly surveyed the above background only as a means of explaining that Case No. PUE940040, which was initiated in large part in response to a management dispute among personnel of these two companies, has led us to a decision to review the DRI/Virginia Power relationship in its entirety. In our 1986 order, we made clear that the central issue in that proceeding was that of defining the relationship between the holding company, DRI, and its utility subsidiary, Virginia Power. That is still the primary issue. We also stressed in 1986 that we would not hesitate to revisit this subject should the situation warrant such action. As described above, it appears that circumstances, both within these companies and in the electric utility industry generally, have changed significantly since 1986. It is clear that a complete and thorough examination of all aspects of this subject is now necessary.

As the matters we must address have evolved, we have concluded that the current case is not the most appropriate vehicle for doing so. As structured under our 1994 order, Case No. PUE940040 has substantial judicial aspects and is oriented in part toward dealing with a volatile, seemingly deteriorating, crisis. For example, we ordered DRI to show cause why it should not be found to have violated the 1986 order. We ordered both companies to show cause why affiliates agreements between them should not be conditioned so as to prevent discharge of Virginia Power directors or management, or to avoid other preemptive actions, during the pendency of the case. We ordered the parties to make no changes in Virginia Power's board or management without 21 days prior notice to the Commission.

Concerns such as these are still valid, though of less immediacy, given the existence of the Settlement Agreement and our anticipation of the parties' good faith observance of it. On balance, we are not prepared at this point to grant the Joint Motion, except that we will permit the board and management changes at Virginia Power, described in the Settlement Agreement, to take effect upon the date of this order, rather than at the expiration of the 21-day notice period mentioned above. Otherwise, the Joint Motion will be taken under consideration until further order of the Commission.

To focus our primary concerns regarding the relationship between DRI and Virginia Power, we are today instituting a new proceeding (Case No. PUE940051), which will be an investigation directed not at averting a crisis or penalizing past conduct, but toward protecting the public interest in the future. In this new case, we will assess every aspect of the holding company structure, the benefits it presents, the risks, our current regulatory policy toward it, and the question of how we should alter or develop that policy prospectively. As part of this new inquiry, we will examine developments since entry of the 1986 order to

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[1]The parties have not asked us to approve this Settlement Agreement, or otherwise to pass judgment on its merits, and we will not do so.

[2]Public Utilities Regulatory Policies Act of 1978, 16 U.S.C. § 2601 *et seq.*

[3]Dominion Resources, Inc., 1988 Annual Report to Stockholders.

[4]Dominion Resources, Inc., 1993 Annual Report to Stockholders.

[5]See PUHCA Section 10(c)(2), 15 U.S.C. sec. 79j(c)(2) requiring defined acquisitions to "tend towards the economical and efficient development of an integrated public-utility system." In 1978, the enactment of PURPA permitted acquisition of non-integrated generating facilities if they were "qualifying facilities."

[6]Energy Policy Act of 1992, adding, among other things, new Section 32 to PUHCA.

provide guidance for the future. Should matters arise which have rate-making implications, such as those previously identified by the Staff, or which require other specific attention outside the scope of this new investigation, we expect our Staff to ensure that these issues receive consideration in other appropriate cases.[7] Specifically, for example, relevant information received in this case shall be considered in the currently pending Annual Informational Filing and fuel factor proceedings, as appropriate.

In the new case instituted today, we intend to investigate the DRI/Virginia Power relationship, and how it may affect, beneficially or adversely, the public interest associated with Virginia Power's obligations to furnish adequate and reliable service at just and reasonable rates. We will closely analyze what regulatory controls are appropriate in this situation to protect and promote that public interest. As an initial step in this investigation, we will direct that our Staff investigate this subject and file a report addressing all such issues.

In furtherance of this effort, we will specifically study questions including, but not limited to:

1. How have the protections and conditions related to affiliates agreements established in the 1986 order worked in practice? Have there been problems with these controls? If so, what guidance do the facts furnish for the future regulation of existing arrangements, or of those which have yet to be proposed?

2. Should any existing affiliates arrangements between the companies be terminated or modified? Are all such arrangements currently beneficial to Virginia Power? What costs or burdens do these arrangements impose on Virginia Power? Is Virginia Power's operational flexibility or independence hampered by the existence of any of these arrangements?

3. Are Commission and company procedures adequate to ensure that all *de facto* affiliates arrangements are subjected to the statutory review and approval process of Virginia Code §§ 56-76, *et seq.*? Have problems occurred in this regard, and if so, how could they be prevented in the future?

4. What is DRI's strategy for the future and what role will Virginia Power's core business -- the provision of electric service in Virginia -- play in this evolving strategy? How might this strategy affect Virginia Power's customers?

5. What impact, for good or ill, can the investments of DRI and its other subsidiaries have on Virginia Power? What regulatory controls are appropriate to avoid or lessen any adverse impacts?[8]

6. What impact does federal legislation, including PUHCA and possible amendments thereto, and EPACT, have on DRI, Virginia Power and the holding company relationship?

7. How should questions of conflicts of interest in the DRI/Virginia Power situation be addressed? What controls on this subject do the companies, and the Commission, have in place now? Are they effective? How should such conflicts be defined, controlled and prevented?

8. Have any aspects of the DRI/Virginia Power relationship adversely and improperly affected rates paid by Virginia Power's customers in the past? What control mechanisms could prevent similar problems in the future?

9. Are there aspects regarding the flow of benefits, services and funds between these companies and/or their affiliates which might adversely affect Virginia Power? If so, how should these matters be addressed?

The Commission intends to consider for adoption, where necessary, rules, regulations and policies for the full protection and promotion of the public's interest in the continuing provision of safe, reliable and reasonably priced electric service so vital to the well being of Virginia citizens and businesses.

In conclusion, we intend that the scope and subject matter of this new proceeding be interpreted in its broadest sense, and that no aspect of this situation be considered beyond the bounds of matters relevant to this case.

For now, we will take several actions to re-focus this matter as set forth below. Further actions after today in either of the two cases addressed herein will be as directed by future Commission order.

ACCORDINGLY, UPON CONSIDERATION HEREOF, IT IS ORDERED THAT:

(1) All issues in Case No. PUE940040 which do not involve inquiries of a judicial nature into past conduct for the purpose of determining and penalizing failures to observe our orders, regulations or other applicable law, or judicial actions necessary to maintain the *status quo* during the pendency of the case, are transferred to Case No. PUE940051, which is hereby instituted. Specifically, the matters not transferred are the "show cause" aspects of the current case which were directed at determining whether our 1986 order had been violated (Ordering Paragraph 3 of the 1994 order), and whether certain conditions should be imposed on the two companies during the pendency of the case (Ordering Paragraphs 4 and 5 of the 1994 order);

(2) Case No. PUE940040 is continued generally until further order of the Commission;

(3) DRI and Virginia Power are hereby made parties to Case No. PUE940051;

(4) Staff shall file an interim report in Case No. PUE940051 on or before December 1, 1994, addressing the issues we have described in this order and making specific recommendations for the resolution and further treatment of such subjects by the Commission;

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[7] If the need for such consideration in other cases arises, Staff may proceed on its own initiative to have these issues analyzed in such cases, without further motion to the Commission.

[8] Similar questions are of concern in many other jurisdictions. See, e.g., Cross, *Diversification Puts Regulators on Edge*, PUBLIC UTILITIES FORTNIGHTLY, Feb. 1, 1994, at 41, for a survey of actions on this question by a number of states.

(5) Actions regarding Virginia Power's board of directors and management which are described in the Settlement Agreement of August 15, 1994, and which would have otherwise required 21 days written notice to the Commission pursuant to Ordering Paragraph 5 of the 1994 order, may take effect upon the date of this order; and

(6) DRI and Virginia Power shall respond to interrogatories and requests for production of documents from Staff within 10 days.

CASE NO. PUE940043
AUGUST 1, 1994

APPLICATION OF
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER IMPOSING INTERIM FUEL FACTOR RATE

On June 17, 1994, Kentucky Utilities Company, d/b/a Old Dominion Power Company ("KU" or "the Company") filed its application and supporting documents requesting an increase in its fuel factor from 1.251¢ per kWh to 1.338¢ per kWh effective August 1, 1994. The Company also requested permission to discontinue, at the end of June 1994, the separately stated billing credit which was approved in KU's previous fuel factor, Case No. PUE930040. On June 29, 1994, the Commission entered an order suspending the separately stated billing credit at the end of June 1994, pending the Commission's formal consideration of this issue. On July 22, 1994, Commission Staff filed its testimony, recommending adjustments which would reduce the fuel factor to 1.290¢ per kWh.

At the hearing of this matter on July 28, 1994, counsel for both Commission Staff and KU requested that KU'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 KU and Commission Staff also requested that they be allowed to file simultaneous briefs addressing the issues in dispute.

THE COMMISSION, upon consideration of the above request, is of the opinion and finds that the above requests should be granted. Accordingly,

IT IS ORDERED:

(1) That an interim zero-based fuel factor of 1.338¢ per kWh, subject to true up through the correction factor, is hereby approved effective August 1, 1994; and

(2) That on September 13, 1994, KU and Commission Staff file simultaneous briefs on the issues in dispute.

CASE NO. PUE940044
DECEMBER 19, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

To amend its Certificates of Public Convenience and Necessity Authorizing Operation of Transmission Lines and Facilities in the Counties of Bedford, Franklin, and Pittsylvania: Smith Mountain Station - Penhook Station 138 kV Line

ORDER GRANTING APPLICATION

Before the Commission is the application of Appalachian Power Company ("Appalachian" or "Company") to amend its certificates of public convenience and necessity for Bedford, Franklin, and Pittsylvania Counties. Appalachian proposes to construct and to operate a single-circuit 138 kV line from its existing Smith Mountain Station, Bedford County, through Pittsylvania County, to its proposed 138/34.5 kV Penhook Station, Franklin County. The proposed Penhook Station and approximately 0.7 mile of the proposed line lie within Appalachian's service territory. The Smith Mountain Station and approximately 5.8 miles of the proposed line lie outside its service territory. Appalachian seeks certification that the public convenience and necessity require the exercise of the right or privilege to construct the proposed line outside its service territory.[1] As set out in this order, the Commission will grant the application and issue the appropriate amended certificates of public convenience and necessity.

By order of August 31, 1994, the Commission docketed this application and directed Appalachian to give notice of this matter. On October 11, 1994, Appalachian filed with the Commission proofs of newspaper publication and certificates of mailing copies of our order to various local public officials. Accordingly, the Commission finds that appropriate public notice of this application was given.

In response to the public notice, the Commission received no requests for formal hearing on this application. The Commission received a letter from Jane M. and Thomas W. McLean whose property would be crossed by the proposed line. The McLeans stated that they did not want the line on their property.

[1]The Commission determined in its Order for Notice of August 31, 1994, that the Company did not require a certificate for the Penhook Station or for the portion of the line within Appalachian's service territory.

Gary and Julie Hall, who own property in sight of the proposed route, also wrote the Commission to express their opposition. The Commission Staff provided to Appalachian copies of the McLean and Hall letters and requested additional information. In response to that request, the Company filed with the Commission on November 29, 1994, a letter and map showing its proposed route in relation to various property owners.

On November 18, 1994, the Commission Staff filed a report analyzing the need for the proposed facilities. The Staff concluded that the proposed 138 kV line, in conjunction with the proposed substation within Appalachian service territory, was necessary to provide adequate and reliable electric service to the Gladehill-Penhook area. Included with the Staff Report were comments from various Virginia environmental agencies which had reviewed the Company's application. The Virginia Department of Environmental Quality coordinated this environmental review. According to the Department, state environmental agencies identified no significant environmental concerns raised by the proposed project. While the agencies noted that various permits might be necessary for completion of the project, none objected to its construction.

Upon consideration of the record, the Commission finds that no issues have been raised which require formal public hearing on the application. Appalachian's application and the Staff Report describe the load growth in the Gladehill-Penhook area attributable primarily to residential development of Smith Mountain Lake. The Staff noted that the winter peak load had increased by 46 percent and the summer peak had increased by over 25 percent since 1989. The record also shows that the Company's Franklin Station and Glade Hill Substation which now serve this area are experiencing operating problems related to load growth. The proposed 138 kV line would cross the service territories of Mecklenberg Electric Cooperative and Southside Electric Cooperative. Both cooperatives indicated on maps filed with the application that they have no opposition to the proposed construction. Finally, neither the Hall nor McLean comment in opposition to the application raised any question or issue concerning the need for the proposed facilities. In conclusion, the Commission finds that there is a need for the proposed facility.

The record before the Commission also shows that Appalachian has considered the environmental impact of the proposed 138 kV line. According to its application, the Company considered appropriate guidelines for design and construction. The Company contacted directly a number of state and federal environmental agencies which provided information used in developing the route. As shown in the record, the agencies identified permits requirements and suggested general construction practices, but no major environmental concerns were identified. The Commission assumes that Appalachian will secure all necessary approvals and follow appropriate construction practices.

The Commission appreciates landowners' opposition to the construction of electric facilities on or within sight of their property. The Commission notes, however, that Appalachian made significant effort to avoid impacting other landowners. According to the application, approximately 5.5 miles of the 6.5 mile route lies on Company property. Further, there are no dwellings within 500 feet of the proposed route. As explained in the application, buffer trees will be left between the proposed line and roads and houses. Selective clearing techniques will be followed to preserve dogwoods, redbuds, rhododendrons, and similar species. After construction of the line, the Company will perform only minimal clearing necessary for maintenance and safe operation of the facilities.

As Appalachian noted in its letter filed with the Commission on November 29, 1994, the proposed route does not cross the Hall property. The route was designed to reduce the impact on the McLean property. The Company explained that the Halls and McLeans had discussed an alternate route, but this alternative would simply shift the line onto the property of the other landowners.

Upon consideration of the application and other materials filed by the Company, the comments in opposition, and the Staff Report, the Commission finds that the Company has undertaken reasonable steps to identify the environmental impact of the proposed line and has proposed construction and operating plans to minimize or avoid adverse impact.

In summary, the Commission finds that there is a need for the proposed facility. The Commission further finds that Appalachian has taken steps to reasonably avoid or minimize adverse environmental impact in the construction and operation of the line. The public convenience and necessity require construction and operation of the proposed line outside the Company's service territory, and the application should be granted.[2] Accordingly,

IT IS ORDERED:

(1) That, pursuant to Virginia Code Ann. § 56-265.2 and related provisions of Title 56, this application be granted;

(2) That Appalachian be authorized to construct and to operate outside of its service territory a portion of a 138 kV line from its Smith Mountain Station, Bedford County, to its proposed Penhook Station, Franklin County, crossing portions of Pittsylvania County;

(3) That Appalachian be issued amended certificates of public convenience and necessity as follows:

a. Certificate No. ET-26j, for Bedford County - to operate present electric transmission lines and facilities, and to construct and operate the proposed single-circuit 138 kV transmission line, all as shown on map attached thereto; which Certificate No. ET-26j will supersede Certificate ET-26i, issued on September 26, 1975;

b. Certificate No. ET-42m, for Pittsylvania County - to operate the present electric transmission lines and facilities, and to construct and operate the proposed single-circuit 138 kV transmission line, all as shown on map attached thereto; which Certificate No. ET-42m will supersede Certificate ET-42l, issued on June 1, 1994; and

c. Certificate No. ET-35f, for Franklin County - to operate the present electric transmission lines and facilities, and to construct and operate the proposed single-circuit 138 kV transmission line, all as shown on map attached thereto; which Certificate No. ET-35f will supersede Certificate No. ET-35e, issued on December 21, 1979.

(4) That this case be dismissed from the docket of active proceedings and the papers herein placed in the file for ended cases.

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[2]The maps attached to the certificates of public convenience and necessity will show the entire route of the line. Determination of the public convenience and necessity requires consideration of the entire project. Records of utility facilities maintained by the Commission and available for public inspection should reflect the entire route, both outside and within Appalachian's service territory.

CASE NO. PUE940048
NOVEMBER 7, 1994

APPLICATION OF
THE CITY OF VIRGINIA BEACH

For a certificate pursuant to Va. Code § 25-233

FINAL ORDER

On July 15, 1994, the City of Virginia Beach, Virginia ("Virginia Beach" or "City") filed an application requesting the State Corporation Commission ("Commission") to certify, pursuant to Virginia Code § 25-233, that a "public necessity" or an "essential public convenience" requires that Virginia Beach be allowed to proceed with condemnation proceedings to obtain certain easements located in Brunswick County, Virginia that would be situated in or near Lake Gaston, an impoundment on the Roanoke River. The land on which the easements would be located is owned by the electric utility, Virginia Electric and Power Company ("Virginia Power"), a public service corporation having the power of eminent domain pursuant to Virginia Code § 56-49.

In its application, Virginia Beach contends that the easements are necessary for the construction, operation, and maintenance of a water-supply pipeline ("Lake Gaston project") that would transport up to 60 million gallons of water per day from Lake Gaston to Southeast Virginia to supply water to the Cities of Virginia Beach and Chesapeake. Also, the City of Franklin and Isle of Wight County each would have an option to take up to one million gallons per day of water from the pipeline.

On September 16, 1994, Virginia Beach filed its direct testimony in this case, and on October 7, 1994, direct testimony was filed by Virginia Power and jointly by the Roanoke River Basin Association and Harold E. Carawan. Virginia Beach filed its rebuttal testimony on October 21, 1994, and on October 26, 1994, the Commission hearing was held.

Pursuant to Virginia Code § 25-233, the Commission has before it the following issues: 1) does a public necessity or an essential public convenience require that Virginia Beach be allowed to condemn the easements in question, and 2) are such easements essential for the purposes of Virginia Power?

Virginia Power owns the land – upon which the easements would be located – subject to Federal Energy Regulatory Commission ("FERC") licenses for Virginia Power's two hydroelectric developments on the Roanoke River. Though these developments are a valuable, peaking-capacity, energy source for Virginia Power, the utility's witness testified that, barring unforeseen circumstances or problems with FERC, allowing Virginia Beach to obtain the easements would not harm its operations or its customers. Virginia Beach and Virginia Power have already reached an agreement regarding compensation for the minimal amount of power generation that will be lost as a result of the water withdrawal by Virginia Beach. They have also agreed that Virginia Beach will cease withdrawal if notified by Virginia Power that the withdrawal will interfere with the utility's ability to maintain the downstream releases or lake levels required by FERC or the Army Corps of Engineers. Thus, after considering all of the evidence, we find that the easements which Virginia Beach is seeking to condemn are not essential to Virginia Power's purposes.

The only remaining issue is whether a "public necessity" or "essential public convenience" requires that Virginia Beach be allowed to proceed with condemnation proceedings to obtain the easements. Virginia Beach has testified that the Lake Gaston project is vital for the purpose of providing a safe and reliable municipal water supply to it and the City of Chesapeake. There is ample evidence in this case indicating that numerous qualified sources have studied or taken evidence regarding the City's water shortage and have concluded that there will be a critical need in Southeast Virginia for approximately 60 million gallons of water per day by the year 2030. These sources include the Virginia State Water Control Board, the North Carolina Department of Natural Resources and Community Development, the Army Corps of Engineers, the Virginia Department of Environmental Quality, the United States Secretary of Commerce, the United States District Court for the Eastern District of North Carolina, the United States Court of Appeals for the 4th Circuit, and the City of Virginia Beach. Virginia Beach currently does not have a municipal water source of its own. It obtains its water from the City of Norfolk; however, in 1992, Norfolk began restricting Virginia Beach to 30 million gallons of water per day. As a result, Virginia Beach imposed mandatory water-use restrictions on its citizens, including prohibition of most outdoor water uses, and a moratorium on extensions of Virginia Beach's distribution system. These restrictions currently are in effect and are to remain in effect until an additional water source becomes available. The evidence in this case indicates that some property values in Virginia Beach have decreased as a result and, if a drought were to occur, the hardships currently facing Virginia Beach citizens because of the chronic water shortage could become severe.

Accordingly, we find that a public necessity or essential public convenience requires that Virginia Beach be allowed to proceed with condemnation proceedings to obtain the easements necessary in order to construct, maintain, and operate the Lake Gaston project. Without the easements sought by Virginia Beach, the Lake Gaston project is not viable. It is not for this Commission in this limited case to revisit the need for the entire pipeline, especially in light of its lengthy prior evaluation by many public bodies. Rather, the need for the pipeline may be taken as previously established for the purposes of this case, and we find the need for the easements to connect the pipeline to a water source has been proven here.

Moreover, issues regarding damage to neighboring property or property owners are not before the Commission. The court that will conduct the condemnation proceedings is the appropriate forum for such issues. A similar situation arose in Page v. Commonwealth, 157 Va. 325 (1931), in which the Virginia Supreme Court stated:

> All that the order of the Corporation Commission does is to permit the city of Norfolk to proceed with its condemnation proceedings, and if the private property of the intervenors will be damaged within the legal sense by the proposed use, that damage will be ascertained by the court in which the condemnation proceedings are instituted.

Id. at 333-334. Similarly, the Commission is not the proper forum to determine whether condemnation of the easements is preempted by the Federal Power Act as a result of FERC having some authority over the appropriateness of the transfer of the easements. That issue is an appropriate one for the court that will conduct the condemnation proceedings. Accordingly,

IT IS THEREFORE ORDERED:

(1) That the City of Virginia Beach may proceed with condemnation proceedings to obtain the easements required for it to construct, maintain, and operate the Lake Gaston water pipeline project; and

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

Commissioner Moore did not participate in this case.

CASE NO. PUE940050
OCTOBER 26, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting rules to govern the safety of master-metered natural gas systems pursuant to § 56-257.2 of the Code of Virginia

ORDER ADOPTING RULES GOVERNING THE SAFETY OF MASTER-METERED NATURAL GAS SYSTEMS

Section 56-257.2 of the Code of Virginia authorizes the Commission to regulate the safety of natural gas facilities comprising a master-metered gas system as defined by federal regulations, except master-metered systems served by natural gas distribution systems owned and operated by a county, city, or town. Under § 56-257.2, the Commission may adopt such rules and regulations as are necessary to promote pipeline safety in the Commonwealth.

By Order for Notice and Comment ("Order") dated August 18, 1994, the Commission proposed to adopt by reference Parts 191 and 192 of Title 49 of the Code of Federal Regulations, along with the additional requirements specified in Appendix A attached to the Order, as the minimum pipeline safety regulations applicable to jurisdictional master-metered gas systems. 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.

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 should be adopted. Accordingly,

IT IS ORDERED:

(1) That Parts 191 and 192 of Title 49 of the Code of Federal Regulations, along with the additional requirements specified in Appendix A of the Order for Notice and Comment dated August 18, 1994, are the minimum pipeline safety regulations applicable to jurisdictional master-metered gas systems; and

(2) That there being nothing further to be done herein, the same is hereby dismissed.

CASE NO. PUE940053
AUGUST 31, 1994

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

ORDER DOCKETING THE MATTER AND DECLARING COMPANY'S PROPOSED INCREASE INTERIM AND SUBJECT TO REFUND

In a letter dated July 7, 1994, Tidewater Water Company ("Tidewater") notified its customers and the Commission's Division of Energy Regulation ("the Division"), pursuant to the Small Water or Sewer Public Utility Act, of its intent to increase its tariff effective September 1, 1994 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, Kilby Shores Water Company, and Aqua Systems, Inc. (hereinafter Tidewater and its affiliates are collectively referred to as "the Companies").

The Companies' proposed increase in tariffs are as follows:

Tidewater Water Company-Isle of Wight

Increase			
Billing Period	Minimum Charges	Minimum Consumption	Water usage in excess of minimum charge
Monthly	$1.40	unchanged	unchanged
Bimonthly	$2.80	unchanged	unchanged
Quarterly	$4.20	unchanged	unchanged

Tidewater-Isle of Wight also proposed a $40 increase in its 3/4 inch service connection rate for existing water lines for customers in the C. L. Obrey, Benn's Church, Day's Point, and Rushmere subdivisions.

Tidewater Water Company-Suffolk

Increase			
Billing Period	Minimum Charges	Minimum Consumption	Water usage in excess of minimum charge
Bimonthly	$4.00	unchanged	unchanged

Tidewater Company-Suffolk also proposed a $40 increase in its 3/4 inch service connection rate for existing water lines for customers in the Arbor Meadows and Nansemond Shores subdivisions.

Tidewater Water Company-Southampton

Increase			
Billing Period	Minimum Charges	Minimum Consumption	Water usage in excess of minimum charge
Bimonthly	$3.90	unchanged	unchanged

Tidewater Water Company-Southampton also proposed a $40 increase in its 3/4 inch service connection rate for existing water lines for customers in the Sedley subdivision.

Tidewater Water Company-James City

Increase			
Billing Period	Minimum Charges	Minimum Consumption	Water usage in excess of minimum charge
Bimonthly	$1.20	unchanged	unchanged

Tidewater Water Company-James City also proposed a $40 increase in its 3/4 inch service connection rate for existing water lines for customers in the Yorkview subdivision.

Aqua Systems, Inc.

Increase			
Billing Period	Minimum Charges	Minimum Consumption	Water usage in excess of minimum charge
Bimonthly	$2.60	unchanged	unchanged

Aqua Systems, Inc. also proposed a $40 increase in its 3/4 inch service connection rate for existing water lines for customers in the Carrisbrook subdivision.

Kilby Shores Water Company

Increase Billing Period	Minimum Charges	Minimum Consumption	Water usage in excess of minimum charge
Bimonthly	$2.80	unchanged	unchanged

Kilby Shores Water Company also proposed a $40 increase in its 3/4 inch service connection rate for existing water lines for customers in Kilby Shores subdivision.

As the Companies have not had a rate increase hearing in at least ten years and have experienced rate increases in 1987, 1988, 1989, 1990, and 1991, the Commission is of the opinion that this matter should be scheduled for hearing pursuant to Virginia Code § 56-265.13:6. A procedural order establishing, among other things, date shall be established by separate orders of the Commission.

The Commission is also of the opinion that the Companies proposed tariff rates should be declared interim and subject to refund effective September 1, 1994. Accordingly,

IT IS ORDERED:

(1) That this matter is docketed and assigned Case No. PUE940053;

(2) That the increase in the Company's tariffs are declared interim and subject to refund for service rendered on and after September 1, 1994, until such time as the Commission has determined this case; and

(3) That this matter shall be continued subject to further order of the Commission.

CASE NO. PUE940054
SEPTEMBER 23, 1994

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

PRELIMINARY ORDER

On September 1, 1994, 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 $9,941,316, representing an increase of 6.38% in annual operating revenue. VNG has filed adjusted operating and financial data for the twelve months ended June 30, 1994, 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, 1994, subject to refund, pursuant to Section II of the rules.

Also on September 1, 1994, VNG filed a separate application seeking approval of two new optional rate schedules, Rate Schedule 11-Firm Compressed NGV Service and Rate Schedule 12-Firm Distribution NGV Service. According to the Company's application, Rate Schedule 11 provides for sales of compressed natural gas for use in motor vehicles from company-owned fueling stations. Rate Schedule 12 is applicable to sales of compressed natural gas to fuel vehicles where VNG distributes the natural gas to customer-owned fueling stations.

According to VNG, these new Schedules will not affect the rates of existing customers. However, the Company's application notes that gas purchased for sales made under proposed rate Schedules 11 and 12 must be recovered. VNG therefore proposes to amend "Section XX - Quarterly Billing Adjustments" of its purchased gas adjustment clause to recover the costs to purchase gas for customers served under the new Schedules.

NOW HAVING CONSIDERED the applications 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 on full investigation and hearing; that VNG should be allowed to implement its proposed rates on an interim basis, subject to refund with interest; that in

the interest of efficient administration of the docket, VNG's application for new tariffs related to the sale of natural gas as a fuel for motor vehicles should be consolidated with the Company's expedited rate application; and that the consolidated applications should be docketed and assigned Case No. PUE940054;

Accordingly, IT IS ORDERED:

(1) That the applications filed by VNG on September 1, 1994, are hereby consolidated, docketed and assigned Case No. PUE940054;

(2) That an interim increase in rates designed to produce additional gross annual revenues of $9,941,316 shall be applied to service rendered on and after October 1, 1994, 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 the new tariff provisions, Rate Schedule 11-Firm Compressed NGV Service and Rate Schedule 12- Firm Distribution NGV Service, may take effect on an interim basis, subject to refund with interest, for service rendered on and after October 1, 1994; and

(4) That this matter be continued until further order of the Commission.

CASE NO. PUE940059
OCTOBER 31, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 1994/95 FUEL FACTOR

On September 19 and 20, 1994, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed with the Commission its application and supporting documents requesting an increase in its zero-based fuel factor from 1.418¢ per kwh to 1.468¢ per kwh, effective for usage on and after November 1, 1994.

By order dated September 26, 1994, the Commission established a procedural schedule and set a hearing date for this matter. In that regard, the Commission directed its Staff to file testimony and provided an opportunity for any person desiring to participate in the hearing to do so as a protestant. Pursuant to the scheduling order, Chesapeake Paper Products Company and Westvaco Corporation, by counsel, filed a notice of protest and a protest. The Virginia Committee for Fair Utility Rates filed a notice of protest and later changed its status to that of an intervenor. The Board of Supervisors of Culpeper County, Virginia, filed a document entitled "Objection of the Board of Supervisors of Culpeper County to Proposed Tariff Increase."

On October 21, 1994, the Staff of the Commission ("Staff") filed its testimony. 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 also suggested that at some future time, the Commission may want to consider whether it is appropriate to allow Virginia Power to continue to recover, from ratepayers, the full cost of fees Virginia Power pays to the Department of Energy for the Nuclear Waste Fund under the Nuclear Waste Policy Act.

In addition, Commission Staff recommended three assumption modifications to the proposed fuel factor. These modifications included: (1) incorporation of September, 1994 actual fuel expenses; (2) elimination of excess planned outage days for North Anna unit #1 nuclear refueling; and (3) reduction of the assumed 15% nuclear unit forced outage rate to 11%. Based on these modified assumptions, Staff proposed adjustments which increased the Company's estimated recovery position by $2,323,506 to $25,245,591 and reduced the Company's projection period fuel expenses by $12,404,351 to $727,623,551. In total, Staff's proposed adjustments would decrease the Company's requested $25,000,000 fuel revenue increase to $9.9 million dollars, or 1.438¢ per kwh. Staff noted that this modified fuel factor of 1.438¢ per kwh represents only a 1.4% change from Virginia Power's currently operative fuel factor of 1.418¢ per kwh. Recognizing that forecast error is inherent in projected fuel expenses; that Virginia Power has consistently overrecovered its fuel expenses in recent years; and the Commission's long standing concern with rate stability, Staff recommended that Virginia Power's fuel factor remain unchanged at this time or, in the alternative, that the increase should be limited to 1.438¢ per kwh.

In addition, Staff recommended adoption of the amended "Definitional Framework of Fuel Expenses" which excludes the eligibility of nuclear fuel lease financing costs for fuel factor recovery. Finally, Staff suggested that it would be appropriate in the near future to begin an evaluation of the volatility of fuel expenses and the desirability of continuing the current fuel factor methodology.

On October 25, 1994, Virginia Power filed its rebuttal testimony. The Company principally took issue with Staff's assumption of an 11% forced outage rate for Virginia Power's nuclear unit instead of the Company's assumed outage rate of 15%.

The hearing in this case was held on October 28, 1994. 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 that an increase in Virginia Power's zero-based fuel factor to 1.438¢ 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. Commission Staff files a report annually which addresses the reasonableness of the Company's actual fuel expenses ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided an opportunity to comment and request a hearing on the Report. Should the Commission find, based on the foregoing, that the Company's actual fuel expenses have been imprudent, the Company's recovery position will be adjusted. This adjustment will be reflected in the Company's next fuel factor.

The Commission further 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 shall be amended by adding the following underscored language in section b:

> The cost of nuclear fuel shall be the amount contained in account 518, excluding lease finance charges, except that if account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

Accordingly,

IT IS ORDERED:

(1) That a zero-based fuel factor of 1.438¢ per kwh is hereby approved effective for usage on and after November 1, 1994;

(2) That the Definitional Framework of Fuel Expenses for Virginia Power is amended as discussed herein to exclude lease finance charges of nuclear fuel; and

(3) That this case is continued generally.

CASE NO. PUE940063
NOVEMBER 9, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

For an expedited increase in base rates for electric service

PRELIMINARY ORDER

On September 28, 1994, Appalachian Power Company ("APCO" or "the Company") filed a rate application, supporting testimony, and exhibits for an expedited increase in its base rates for electric service with the State Corporation Commission ("Commission"). On October 12, 1994, the Company filed its amended application and supplemental direct testimony and exhibits, accompanied by a motion for leave to amend. On October 13, 1994 the Commission entered an order granting APCO's motion to amend its application.

The Company's proposed rates, as amended, are designed to produce additional gross annual operating revenue of $15,716,212. In its application, APCO relies upon the financial data it has filed with its application to demonstrate that it has a deficiency in revenues of $15,716,212. Under Section II of the Commission's Rules Governing Rate Increase Applications and Annual Informational Filings, APCO has requested an expedited increase in its rates, with the schedules of rates and terms and conditions filed therein to go into effect November 15, 1994, subject to refund pending investigation, and after such investigation and hearing, to approve the proposed rates on a permanent basis.

NOW HAVING CONSIDERED the application, and having been advised by its Staff, the Commission finds that, based on the application, supporting testimony, and exhibits, there is a reasonable probability that the requested increase will be justified upon full investigation and hearing, as required by Va. Code § 56-240; that APCO should be allowed to implement its proposed rates on an interim basis, subject to refund with interest; and that this matter should be docketed.

Accordingly, IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUE940063;

(2) That an interim increase in rates designed to produce additional gross annual revenue shall be applied to service rendered on and after November 15, 1994, and that such interim increase in rates shall remain subject to refund with interest until such time as the Commission has determined this case; and

(3) That this matter is hereby continued until further order of the Commission.

CASE NO. PUE940064
DECEMBER 19, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its fuel factor pursuant to Code § 56-249.6

ORDER ESTABLISHING 1994/1995 FUEL FACTOR

On September 28, 1994, Appalachian Power Company ("APCO" or "the Company") filed with the Commission written testimony, exhibits, and proposed tariffs intended to decrease its zero based fuel factor from 1.588¢ per kwh to 1.371¢ per kwh, effective for usage on and after November 15, 1994.

By Order dated October 11, 1994, 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. Although no protests were filed in this proceeding, the Old Dominion Committee for Fair Utility Rates filed a letter seeking intervenors status and Mr. William S. Bilenky filed a letter requesting that he be added to the mailing list for this proceeding. On October 28, 1994, Commission Staff filed its testimony. Staff recommended that APCO'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 September 30, 1994, which resulted in a further reduction of the fuel factor to 1.364¢ per kwh. Staff also requested that the Company's "Definitional Framework of Fuel Expenses" be amended to exclude the eligibility of nuclear fuel lease financing charges from fuel factor recovery. 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 November 9, 1994, 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 APCO's zero-based fuel factor to 1.364¢ 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 Company's booked fuel expenses and audits. 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.

The Commission further finds that APCO's Definitional Framework of Fuel Expenses set forth in Order Setting Fuel Factor dated March 21, 1984, in Case No. PUE840003 shall be amended by adding the following underscored language in Section B:

> The cost of nuclear fuel shall be the amount contained in account 518, excluding lease finance charges except that if account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

Accordingly, IT IS ORDERED:

(1) That a zero-based fuel factor of 1.364¢ per kwh is hereby approved, effective for usage on and after November 15, 1994;

(2) That the Definitional Framework of Fuel Expenses for APCO is amended as discussed herein to exclude leased finance charges of nuclear fuel; and

(3) That this case is continued generally.

CASE NO. PUE940066
NOVEMBER 1, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of an association between Virginia Power, Hughes Power Control Systems Division of General Motors, GNB Battery Technologies, Inc. and Electronic Power Technology, Inc.

ORDER GRANTING APPLICATION

By application filed with the Commission on October 4, 1994, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application requesting approval of an association between Virginia Power, Hughes Power Control Systems Division of General Motors, GNB Battery Technologies, Inc., and Electronic Power Technology, Inc. The association, to be known as the Southern Coalition for Advanced Transportation-Virginia Team ("Consortium"), would conduct technical research, design, development and testing of electric vehicle battery life and performance. Virginia Power is proposing to lead the Consortium, will submit all proposals for funding from private and governmental sources, will contribute existing equipment and personnel to perform project management and data retrieval, but will not provide any direct funding to the program. Virginia Power maintains that the formation of the association and the Company's participation are consistent with Virginia Code § 13.1-627(B) and § 13-620(D).

The Commission has reviewed Virginia Power's application and is of the opinion and finds that it meets the requirements of Virginia Code § 13.1-627(B), in that the purposes of the association as set forth in the application are consistent with Virginia Code § 13.1-620(D) and Chapter 10.1 of Title 56 of the Code and are otherwise in the public interest. The Commission finds that the application should be granted, subject to the requirement that Virginia Power file

annual reports with the Commission's Division of Economics and Finance that describe the activity of the Consortium during each year. These reports should include an identification of any funds provided to the Consortium by Virginia Power as well as any in-kind contribution of utility assets and labor. The Commission should also be notified at any time during the year if there is a significant change in the nature of the Consortium's activities, including the consideration of new programs or projects. The Commission's approval of Virginia Power's application shall not be construed as approval of any expenditures or contributions by Virginia Power for rate setting purposes.

Accordingly, IT IS ORDERED:

(1) That Virginia Power's application for approval of an association as set forth in its application is granted, subject to the conditions set forth herein;

(2) That Virginia Power shall file annual reports by March 31 of each year with the Commission's Division of Economics and Finance that describe the activity of the Consortium during the preceding calendar year and identify all funds provided to the Consortium by Virginia Power as well as any in-kind contribution of utility assets and labor; and

(3) That Virginia Power shall notify the Commission at any time if there is any proposed significant change in the nature of the Consortium's activities;

(4) That there being no further action to be taken, this matter shall be placed in the file for ended causes.

CASE NO. PUE940067
OCTOBER 12, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Consideration of standards for integrated resource planning, investments in conservation and demand management, and energy efficiency in power generation and supply for electric utilities

ORDER ESTABLISHING COMMISSION INVESTIGATION

The 102d Congress of the United States adopted the Energy Policy Act of 1992 ("the Act" or "EPACT") on October 24, 1992. This Act adds Paragraphs (7), (8), and (9) to Section 111 of the Public Utility Regulatory Policies Act of 1978, 16 U.S.C. § 2621 ("PURPA"). These new Sections provide for standards related to integrated resource planning, investments in conservation and demand management, and energy efficiency in power generation and supply for electric utilities. Section 111(a), 16 U.S.C. § 2621(c)(3), further provides that if the Commission adopts the standard established by subsection (d)(7), the integrated resource planning standard, or subsection (d)(8), the investments in conservation and demand management standard, it must consider the impact that the standard's implementation would have on small businesses "engaged in the design, sale, supply, installation or servicing of energy conservation, energy efficiency or other demand side management measures." Further, the Commission must implement the standard so as to assure that the utility's actions would not provide it with an unfair competitive advantage over these small businesses. Section 111(c), 16 U.S.C. § 2622(b)(2), provides that the Commission must complete its consideration of these standards not later than three years after the statute's enactment, i.e., not later than October 24, 1995.

Accordingly, by this Order we initiate an investigation to consider whether the standards set out in Section 111 of the Act or any portions thereof should be adopted and to consider rules, if appropriate, or a Commission policy regarding integrated resource planning, investments in conservation and demand management, and energy efficiency in power generation and supply for electric utilities. In furtherance of this investigation, we invite comments and testimony from interested parties on the standards and related issues set out in Appendix A. Interested parties may also address any other issues of concern to them regarding these standards.

Further, we will direct our Staff to summarize and evaluate the comments and testimony received herein and file its analysis thereof, together with any recommendations, with the Commission. A public hearing will be convened to take evidence on the recommendations set forth in the Staff's analysis and on the testimony received from interested parties. Interested parties who plan to participate in the hearing should prefile testimony. Interested persons who do not intend to appear at the hearing may file comments with the Clerk of the Commission regarding the standards, the issues identified herein, and other issues of concern to them regarding these standards.

Accordingly, IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUE940067;

(2) That, on or before December 1, 1994, 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 analysis 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;

(3) That all investor-owned electric companies and electric cooperatives subject to the Commission's jurisdiction shall on or before December 1, 1994, serve a copy of this Order, by delivering a copy to the usual place of business or by depositing a copy in the United States mail, properly addressed and stamped, to all non-utility generators who currently provide or have offered to provide energy or capacity to the utility or cooperatives;

(4) That a public hearing shall be convened on June 12, 1995, at 10:00 a.m., in the Commission's Courtroom, located on the second floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive evidence relevant to the adoption of the standards for electric utilities and the issues identified herein;

(5) That, on or before February 10, 1995, any interested party who does not plan to attend the public hearing scheduled herein but who desires to participate in this proceeding may file with the Clerk of the Commission an original and five (5) copies of comments concerning the standards for electric utilities and electric cooperatives and issues identified herein, as well as any other issues of concern to the party regarding the standards under consideration. All comments shall refer to Case No. PUE940067 and shall be addressed to William J. Bridge, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216;

(6) That, on or before February 10, 1995, any interested party who expects to submit evidence, cross-examine witnesses or otherwise participate in the proceeding as a Protestant, pursuant to Rule 4:6, shall file an original and fifteen (15) copies of a Notice of Protest, as provided in Rule 5:16(a), with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, referring to Case No. PUE940067 and shall forthwith serve a copy of same on all parties of record. Any corporate entity or governmental unit that wishes to protest must be represented by legal counsel as required by Rule 4:8 of the Commission's Rules of Practice and Procedure;

(7) That, on or before March 10, 1995, each Protestant shall file with the Clerk of the Commission an original and fifteen (15) copies of a Protest conforming to Rule 5:16(b), and an original and fifteen (15) copies of the testimony and exhibits that it intends to present at the hearing scheduled herein. Said testimony and exhibits shall address the standards for electric utilities and issues identified herein, together with any other issues of concern to the party regarding these standards. An interested party's testimony and accompanying exhibits shall refer to Case No. PUE940067, and each interested party filing testimony shall serve a copy of his testimony upon all parties of record by no later than March 10, 1995;

(8) That, on or before April 10, 1995, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of its prefiled direct testimony in which it shall set forth its findings and recommendations and proposed rules or policy pronouncements, if any. The Staff's analysis shall include a summary of the comments received pursuant to Ordering Paragraph (5) hereof. A copy of the Staff's testimony shall be served on all parties filing testimony herein and upon any person filing comments requesting a copy of same;

(9) That any person desiring to make a statement at the public hearing concerning the standards applicable to electric utilities and the issues identified herein need only appear in the Commission's second floor courtroom at 9:30 a.m. on the day of the hearing and identify himself or herself to the Bailiff as a public witness;

(10) That, on or before May 10, 1995, any interested person filing direct testimony shall file with the Clerk of the Commission an original and fifteen (15) copies of all testimony he expects to introduce in rebuttal to all comments and direct prefiled testimony and exhibits filed by any interested party and by the Staff. Additional rebuttal evidence may be presented by interested parties filing testimony, provided it is in response to evidence which was not prefiled but elicited at the time of the hearing, and provided further the need for additional rebuttal evidence is timely addressed by motion during the hearing and leave to present said evidence is granted. Interested parties shall serve a copy of their prefiled rebuttal evidence upon all parties prefiling direct testimony;

(11) That, on or before January 3, 1995, the Commission's Division of Economics and Finance shall complete publication of the following notice on one occasion as classified advertising to be published in major Virginia newspapers of general circulation throughout Virginia:

NOTICE TO THE PUBLIC OF THE INVESTIGATION
OF THE STATE CORPORATION COMMISSION
INTO STANDARDS FOR ELECTRIC PUBLIC
UTILITIES ESTABLISHED BY SECTION 111
OF THE ENERGY POLICY ACT OF 1992
CASE NO. PUE940067

On October 24, 1992, the Energy Policy Act of 1992 was enacted by the United States Congress. Among the provisions of that Act is a requirement that the State Corporation Commission ("Commission") provide public notice and conduct a hearing on the standards set out in Section 111 of the Energy Policy Act of 1992, governing integrated resource planning, investments in conservation and demand management, and energy efficiency in power generation and supply for electric utilities, including investor-owned electric utilities and electric cooperatives.

The Commission has initiated the captioned investigation to receive evidence regarding the standards specified in § 111 of the Energy Policy Act of 1992, as well as any appropriate policies or rules regarding these standards. It has scheduled a public hearing for June 12, 1995, at 10:00 a.m. in its courtroom located on the second floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, for the purpose of receiving evidence relevant to its investigation.

Interested persons desiring to participate in the investigation who do not plan to attend the public hearing scheduled herein may file on or before February 10, 1995, with the Clerk of the Commission an original and five (5) copies of comments concerning the standards for electric utilities and electric cooperatives and the issues identified in the Commission's Order for Notice and Hearing with the Clerk of the Commission at the following address: William J. Bridge, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216. All written comments shall refer to Case No. PUE940067.

On or before February 10, 1995, any interested party who expects to submit evidence, cross-examine witnesses or otherwise participate in the proceeding as a Protestant, pursuant to Rule 4:6, shall file an original and fifteen (15) copies of a Notice of Protest, as provided in Rule 5:16(a), with the Clerk of the State Corporation

Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, referring to Case No. PUE940067 and shall forthwith serve a copy of same on all parties of record. Any corporate entity or governmental unit that wishes to protest must be represented by legal counsel as required by Rule 4:8 of the Commission's Rules of Practice and Procedure.

On or before March 10, 1995, each Protestant shall file with the Clerk of the Commission an original and fifteen (15) copies of a Protest conforming to Rule 5:16(b), and an original and fifteen (15) copies of the testimony and exhibits that it intends to present at the hearing scheduled for June 12, 1995. Said testimony and exhibits shall address the standards and issues identified in the Commission's Order for Notice and Hearing entered in this case and should refer to Case No. PUE940067. Each interested party filing testimony shall serve a copy of his Protest and testimony upon all parties of record by no later than March 10, 1995.

Any person desiring to make a statement as a public witness at the public hearing concerning the standards applicable to electric utilities, the issues identified in the Commission's Order for Notice and Hearing, and other issues of concern to them regarding these standards need only appear in the Commission's second floor courtroom at 9:30 a.m. on the day of the hearing and identify himself or herself to the Bailiff as a public witness.

On or before May 10, 1995, any interested person filing direct testimony shall file with the Clerk of the Commission an original and fifteen (15) copies of all testimony he expects to introduce in rebuttal to all comments and direct prefiled testimony and exhibits filed by any interested party and by the Staff. Additional rebuttal evidence many be presented by interested parties filing testimony, provided it is in response to evidence which was not prefiled but elicited at the time of the hearing, and provided further the need for additional rebuttal evidence is timely addressed by motion during the hearing and leave to present said evidence is granted. Interested parties shall serve a copy of their prefiled rebuttal evidence upon all parties prefiling direct testimony.

The Commission's Order for Notice and Hearing governs the procedure in this case. This Order also identifies the standards specified in the Energy Policy Act of 1992 under investigation and the issues which the Commission has directed interested parties filing comments or testimony to address. A copy of this Order may be obtained by writing to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, and referring to Case No. PUE940067. A copy of this Order is also available for public review in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia during its regular business hours of 8:15 a.m. to 5:00 p.m., Monday through Friday.

Copies of the Commission's Order for Notice and Hearing are also available for public review at the business offices where customers bills may be paid of all electric public utilities and electric cooperatives subject to the Commission's jurisdiction. Interested persons should review this Order for the details of the procedural schedule, issues to be addressed in testimony or comments, and instructions on how to participate in this proceeding.

VIRGINIA STATE CORPORATION COMMISSION
DIVISION OF ECONOMICS AND FINANCE

(12) That the Division of Economics and Finance shall forthwith send a copy of this Order, together with its appendices to the Virginia Register for publication; and

(13) That, on or before April 12, 1995, the Division of Economics and Finance shall file with the Clerk of the Commission proof of publication.

NOTE: A copy of Appendix A entitled "PURPA Standards and Related Issues" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Maiin Street, Richmond, Virginia

CASE NO. PUE940071
DECEMBER 20, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting rules necessary to implement the State Corporation Commission's authority to enforce the Underground Utility Damage Prevention Act

ORDER ADOPTING PROCEDURAL RULES FOR ENFORCEMENT OF THE UNDERGROUND UTILITY DAMAGE PREVENTION ACT

Section 56-265.30 of the Code of Virginia authorizes the State Corporation Commission ("Commission") to enforce the provisions of Chapter 10.3 of Title 56 of the Code of Virginia, also known as the Underground Utility Damage Prevention Act ("Act"). Section 56-265.30 also authorizes the Commission to promulgate any rules or regulations necessary to implement the Commission's authority to enforce the Act.

By Order For Notice and Comment ("Order") dated November 1, 1994, the Commission proposed to adopt the rules specified in Appendix A to the Order as the procedures to be used to enforce the provisions of the Act. 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 rules and provided procedures for requesting a hearing. In that regard, the Commission's

Division of Energy Regulation was required to publish notice of the proposed rules in newspapers of general circulation in the Commonwealth and in the Virginia Register of Regulations. When the proposed rules 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 rules. Furthermore, the Staff of the Virginia Code Commission has stated that additional changes may be made prior to formal publication of Commission adopted rules 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 rules, 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 the rules for enforcement of Underground Utility Damage Prevention Act ("Act") as they appear in Attachment 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 to be used for enforcement of the Underground Utility Damage Prevention Act; and

(2) That there be nothing further to be done herein, the same is dismissed.

NOTE: A copy of Attachment A entitled "Rules for Enforcement of the Underground Utility Damage Prevention Act" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUE940073
NOVEMBER 23, 1994

APPLICATION OF
HARBOUR EAST SEWERAGE COMPANY

For cancellation of certificate of public convenience and necessity

ORDER CANCELING CERTIFICATE

By letter dated August 26, 1994, Mr. Greg Pedersen, an officer of Harbour Management, Inc., d/b/a Harbour East Village ("the Management Company" or "the Company"), informed the Commission's Division of Energy Regulation that Harbour East Sewerage Company ("Harbour East Sewerage") did not provide sewerage service to tenants in the Harbour East Village mobile home community in Chesterfield County, Virginia. Mr. Pedersen stated that the Management Company was currently providing water and sewerage service to that community and that the service was included in the tenants' lot rental fee. Mr. Pedersen also stated that Harbour East Sewerage was neither a corporate entity nor a fictitious name for Harbour Management, Inc.

On November 10, 1994, Staff filed a report in this proceeding. In that report, Staff referenced the information provided by the Company on August 26, 1994, and recommended that Harbour East Sewerage's certificate be canceled. Staff also noted that the Management Company did not charge a separate fee for water and sewerage service, and Staff determined that the Company had no utility customers.

NOW THE COMMISSION, having considered the matter, is of the opinion that Harbour East Sewerage's certificate of public convenience and necessity should be canceled. The Commission is of the further opinion that the Management Company need not apply for a certificate at this time as it appears that it is not a "public utility" pursuant to Virginia Code § 56-265.1. Accordingly,

IT IS ORDERED:

(1) That certificate No. S-58 authorizing Harbour East Sewerage Company to provide sewerage service to residents of the Harbour East Village mobile community in Chesterfield County, Virginia, be, and hereby is, canceled; and

(2) That there being nothing further to be done, this matter be, and hereby is, dismissed.

CASE NO. PUE940075
DECEMBER 19, 1994

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For a change in electric rates and to revise its tariffs

PRELIMINARY ORDER

On December 1, 1994, Central Virginia Electric Cooperative ("CVEC" or "the Cooperative") filed an application with the State Corporation Commission ("Commission") to revise its base rates to reflect a $2.3 million reduction in the annual cost of electric capacity purchased by the Cooperative from Virginia Power. Normally, this reduction in capacity costs would be passed through CVEC's Wholesale Power Cost Adjustment Clause ("WPCAC") to CVEC's customers as a reduction to energy charges. However, CVEC's application requests the Commission to suspend its WPCAC as to the reduction in purchased capacity costs effective January 1, 1995, and allow the Cooperative's proposed restructured base rates to become effective on an interim basis, without suspension, effective January 1, 1995.

The rate changes proposed by CVEC include increases in certain customer charges and demand charges. As a result, although the overall effect of the rate change is to pass through to customers a $2.3 million reduction in the cost of purchased power, certain minimum use and low load factor customers would, if the proposed new rates were approved, receive increases in their bills. The Cooperative has represented that if the proposed new rates are permitted to become effective on an interim basis on January 1, 1995, it will bill its customers at the lesser of rates proposed in the application or the existing effective rates until such time as the Commission's final order is entered in this case.

In addition, the Cooperative proposes to revise portions of its Terms and Conditions of Service. Among the changes the Cooperative proposes is the deletion of language referring to CVEC's bimonthly meter reading option, and to provide for a new construction advance charge of $200, to recover the Cooperative's anticipated engineering and investigation expenses in those cases where an application for electric service will not result in an electric service connection. Further, the Cooperative has proposed to amend the portions of its Terms and Conditions regarding temporary services and to provide for a three-year refund period for an applicant for residential service who has paid for the portion of the line extension exceeding CVEC's residential line extension allowance. The Cooperative has filed financial and operating data for the 12 months ending December 31, 1993, in support of its application.

NOW, having considered the application filed by the Cooperative, the applicable statutes, and having been advised by its Staff, the Commission finds that this matter should be docketed; that the Cooperative's WPCAC should be suspended as to the approximately $2.3 million reduction, effective January 1, 1995, in the annual cost of electric capacity purchased from Virginia Power; that the Cooperative should be authorized to implement its proposed restructured rates, effective for service rendered on and after January 1, 1995, on an interim basis, subject to refund with interest; that the Cooperative should bill its customers the lesser of its proposed restructured rates or its rates in effect before this application was filed until a final order is entered in this proceeding; and that the changes to the Cooperative's Terms and Conditions of Service should be suspended for a period of one hundred and fifty (150) days from the date the application was filed. We find it appropriate to suspend the changes to the Cooperative's Terms and Conditions of Service in order to investigate them further.

Accordingly, IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUE940075;

(2) That the effect of the Cooperative's Wholesale Power Cost Adjustment Clause shall be suspended, effective January 1, 1995, only as to the approximately $2.3 million reduction in the annual cost of electric capacity purchased from Virginia Power;

(3) That the Cooperative's proposed restructured rates shall become effective on an interim basis, subject to refund with interest, effective for service rendered on and after January 1, 1995, conditioned upon the Cooperative billing its customers the lesser of its proposed restructured rates or the rates in effect before the captioned application was filed with the Commission. The Cooperative shall continue to bill its consumers at the foregoing rates until such time as a final order is entered in this case;

(4) That the changes proposed to the Cooperative's Terms and Conditions of Service shall be suspended for a period of one hundred and fifty (150) days from the date the application was filed to and through April 30, 1995; and

(5) That this matter be continued until further order of the Commission.

CASE NO. PUE940076
DECEMBER 29, 1994

APPLICATION OF
COMMONWEALTH PUBLIC SERVICE CORPORATION

For an expedited increase in base rates for natural gas service

PRELIMINARY ORDER

On December 2, 1994, Commonwealth Public Service Corporation ("Commonwealth" or "the Company") filed a rate application, supporting testimony, and exhibits for an expedited increase in its base rates for natural gas service with the State Corporation Commission ("Commission").

The Company's proposed rates, as amended, are designed to produce additional gross annual operating revenue of $21,571. In its application, Commonwealth relies upon the financial data it has filed with its application to demonstrate that it has a deficiency in revenues of $21,571. Under Section II of the Commission's Rules Governing Rate Increase Applications and Annual Informational Filings, Commonwealth has requested an expedited increase in its rates, with the schedules of rates and terms and conditions filed therein to go into effect January 2, 1995, subject to refund pending investigation, and after such investigation and hearing, approval of its proposed rates on a permanent basis.

NOW, HAVING CONSIDERED the application and having been advised by its Staff, the Commission finds that, based on the application, supporting testimony, and exhibits, there is a reasonable probability that the requested increase will be justified upon full investigation and hearing, as required by Virginia Code § 56-240; that Commonwealth should be allowed to implement its proposed rates on an interim basis, subject to refund with interest; and that this matter should be docketed.

Accordingly, IT IS ORDERED:

(1) That this matter shall be docketed and assigned Case No. PUE940076;

(2) That an interim increase in rates designed to produce additional gross annual revenue of $21,571 shall be applied to service rendered on and after January 2, 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; and

(3) That this matter is hereby continued until further order of the Commission.

CASE NO. PUE940077
DECEMBER 19, 1994

APPLICATION OF
SHEETZ, INCORPORATED

For Exercise of Commission Authority Pursuant to Va. Code § 56-232.2

ORDER GRANTING REQUEST PURSUANT TO § 56-232.2 OF THE VIRGINIA CODE

By letter dated December 1, 1994, Sheetz, Inc. ("Sheetz" or "Company"), a Pennsylvania corporation, requests that the Commission exercise its authority under § 56-232.2 of the Code of Virginia to refrain from regulating and prescribing the rates, charges, and fees for the provision of retail compressed natural gas service.

Sheetz proposes to engage in the retail sale of compressed natural gas ("CNG") for use as a motor vehicle fuel at a facility to be located at 601 Millwood Avenue, Winchester, Virginia. The initial primary users of CNG at the Millwood Avenue Station are expected to be the Frederick County Sheriff Department, City of Winchester, U.S. Postal Service, Swann Construction, and Shockey Industries. CNG service will also be made available to any member of the public desiring to refuel a natural gas vehicle.

The Company indicates that it plans to enter into an agreement with Shenandoah Gas Company to purchase natural gas for resale under Shenandoah's tariff. The Company states that it plans to enter into an agreement of limited duration with Shenandoah which will be an exception to Shenandoah's General Service Provisions and Conditions and further anticipates purchases from Shenandoah under a CNG tariff when Shenandoah obtains necessary approval.

Having reviewed the Company's request, the Commission will refrain from regulating and prescribing the rates, charges, and fees for Sheetz's public refueling station at this time. This decision, however, may be altered in the future if, upon complaint or its own motion, the Commission determines that further review is necessary. By the approval granted herein, the Commission does not address the issue of approval of sales or tariff provisions of Shenandoah Gas Company. Any changes necessary to Shenandoah's tariff in order to accommodate the proposed purchases by Sheetz should be separately addressed by the utility.

Accordingly, upon review of the filing herein, the Commission determines that it will refrain from regulating and prescribing the rates, charges, and fees of the Company's public refueling station at 601 Millwood Avenue in Winchester, Virginia for the purpose of retail sales of compressed natural gas for use as a motor vehicle fuel to the public, subject to the terms of this order.

CASE NO. PUE940081
DECEMBER 29, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
SUELY BELK, et al.
v.
LAND'OR UTILITY COMPANY, INC.

PRELIMINARY ORDER

In a letter dated November 16, 1994, Land'Or Utility Company, Inc. ("Land'Or" or "the Company") notified its customers and the Commission's Division of Energy Regulation ("the Division"), pursuant to the Small Water or Sewer Public Utility Act (Va. Code § 56-265.13:1 et seq.) of its intent to increase its tariff for water and sewer service effective January 1, 1995.

By December 27, 1994, the Commission had received objections from approximately 270 of Land'Or's customers.

NOW THE COMMISSION, having considered customers' objections and the magnitude of the proposed increase, 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 tariff shall be declared interim and subject to refund effective January 1, 1995. Accordingly,

IT IS ORDERED:

(1) That this matter be, and hereby is, docketed as Case No. PUE940081;

(2) That the increase in the Company's tariff is hereby declared interim and subject to refund for service rendered on and after January 1, 1995; and

(3) That this matter shall be continued subject to further order of the Commission.

DIVISION OF ECONOMICS AND FINANCE

CASE NO. PUF910037
JANUARY 4, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to sell unsecured medium-term notes

ORDER EXTENDING AUTHORITY

On October 24, 1991, the Commission issued an order authorizing Virginia Electric and Power Company ("Applicant" or "the Company") to issue and sell up to $200,000,000 in medium-term notes for a period of approximately two years after the effective date of registration with the Securities and Exchange Commission ("SEC"). The securities are registered with the SEC as a shelf registration.

In a letter dated November 9, 1993, the Company requested to extend the above referenced authority for an additional two-year period. In support of its request, the Company stated that only $60,000,000 of medium-term notes have been issued to date and that no other changes to the existing authority were requested.

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 issue and sell up to $200,000,000 in medium-term notes under the terms and conditions and for the purposes as set forth in the application, be and hereby is extended through December 31, 1995;

2) That Applicant shall submit a preliminary report of action within seven days after the issuance of any securities pursuant to this order to include the date(s) of issue, amount of issue, type of security, interest rate, comparable Treasury yield, date of maturity, underwriters' names, and net proceeds to Applicant;

3) That within sixty days after the end of each calendar quarter in which any securities are issued, Applicant will file a detailed report of action containing the following: the date(s) of issue, amount issued, coupon interest rate, comparable Treasury yield, sinking fund schedule, date of maturity, any redemption or call provisions, underwriters' names, underwriters' fees, a detailed account of all issuance expenses to date, net proceeds to Applicant, a detailed analysis of the savings due to the new issue (if other debt is refinanced) showing the effective cost rate (annual yield to maturity method) of the redeemed issue compared to the new issue, and any remaining unissued authority;

4) That Applicant shall file a final report of action on or before March 31, 1996, containing the information required in ordering paragraph (3); and

5) That this matter shall be continued subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF920025
JULY 11, 1994

APPLICATION OF
KENTUCKY UTILITIES COMPANY

For authority to incur up to $238,670,000 in tax-exempt long-term debt

ORDER EXTENDING AUTHORITY

By Order dated July 24, 1992, Kentucky Utilities Company ("Applicant") was authorized to enter into transactions related to the issuance of up to $238,670,000 in long-term debt in various series of tax-exempt bonds. The authority was granted through July 31, 1994.

By letter from counsel dated July 1, 1994, Applicant represents that, to date, it has issued $87,930,000 of the $238,670,000 authorized long-term debt, thus retaining authority to issue approximately $150,000,000 in additional debt through July 31, 1994. In the July 1, 1994 letter, Applicant has requested that the Commission extend the authority granted for issuing the remaining tax-exempt long-term debt through April 30, 1995.

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 enter into transactions related to the issuance of the remaining $150,740,000 in various series of tax-exempt bonds, under the terms and conditions and for the purposes as stated in the original application, be and hereby is extended to April 30, 1995;

2) That all the requirements and guidelines prescribed in the July 24, 1992 Commission Order, except as modified herein, shall remain in full force and effect;

3) That the date for filing a final report of action as contained in Ordering paragraph 4 of the Commission's July 24, 1992 Order shall be extended to June 30, 1995;

4) That this matter shall be continued subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF930001
MAY 16, 1994

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For authority to issue first mortgage debt

ORDER AMENDING AUTHORITY

By Order dated February 3, 1993, the Commission granted Southwestern Virginia Gas Company ("Applicant") authority to issue additional first mortgage debt and authority for short-term debt to exceed five percent of total capitalization as defined by § 56-65.1 of the Code of Virginia through September 30, 1994.

By letters dated April 20, 1994 and May 4, 1994, Applicant requests that the authority granted be amended to reflect certain changes in the amount and the terms and conditions of the financing described in the original application. Applicant cited difficulty in obtaining rights of way for construction of a pipeline, with the resulting pathway increasing final costs and requiring more time to be completed. Applicant has also obtained more favorable financing terms.

Applicant represents that the funds will be used to finance the construction of a 6" high pressure pipeline within its service territory, in the Chatmoss/Laurel Park area of Henry County and in the northeastern section of Henry County from Route 58 to State Route 108. Applicant states that the Note will originate as a construction loan and will be reported as short-term debt during the construction period.

Applicant requests temporary authority to issue short-term debt up to $1,800,000 through June 30, 1995. At the time of completion, the construction loan will be combined with the outstanding balance of the existing first mortgage debt into a single first mortgage note ("the Note"). The combined amount of the Note is not expected to exceed $2,640,000.

The interest rate on the short-term debt will be variable during the construction period. The interest rate on the Note may be fixed or variable. Applicant may switch between the two types during the 15 year term of the Note. The variable interest rate will have both a cap and a floor rate, with each being readjusted every fifth year on the anniversary date of the Note. Fees and issuance costs for the transactions are expected to be less than $10,000. The Note is expected to have monthly principal and interest payments.

The Commission, upon consideration of the application and representations by 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 further of the opinion that the order dated February 3, 1993, should be terminated and superseded by authority granted herein. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell a first mortgage note up to $2,640,000 for the purposes and under the terms and conditions as described in the application;

2) That Applicant is authorized to incur short-term debt up to $1,800,000, from the date of this Order and prior to the issuance of the Note, but not beyond June 30, 1995, without further approval;

3) That the authority for short-term debt to exceed 5% of total capital shall expire at the time of issuance of the Note;

4) That the authority in the Commission's order dated February 3, 1993, is hereby terminated and superseded by authority granted herein;

5) That, within fifteen (15) days after closing, Applicant shall file a preliminary report of action containing the date of the closing, the institution, the terms and the rates effective on the closing date;

6) That, on or before January 20, 1995, Applicant shall file a more detailed report with respect to any debt issued under this authority, which shall include a schedule of the interest rate option selected, interest rates and outstanding balances during each month from April 1994 through December 1994, and a balance sheet as of November 30, 1994;

7) That, on or before August 15, 1995, Applicant shall file a final report of action containing a monthly schedule of the interest rate option, interest rates and outstanding balances from January 1995 through the date of construction completion, the date the construction loan is combined with the existing first mortgage debt, the actual balances of the Note and the existing first mortgage debt at the time of combination, the interest rate in effect on the existing term loan at the time of combination, any prepayment fee on the existing first mortgage debt, the ceiling and floor rates in effect, the rate effective on the first day of the Note, a schedule of the annual principal repayment requirement for the Note, and a balance sheet showing the impact of issuing the Note;

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. PUF930002
JULY 21, 1994

APPLICATION OF
NEW CASTLE TELEPHONE COMPANY

For authority to incur long-term debt with Rural Electrification Administration

CORRECTING ORDER

On July 11 1994, New Castle Telephone Company ("the Company"), by its counsel, advised the Commission of a typographical error in our orders of February 18, 1993 and June 4, 1993, in the above referenced proceeding. The loan amount stated in the first ordering paragraph of our February 18 Order and the first paragraph of our June 4 Order should have been $3,288,000. That was the amount stated in the Company's application and recited on the first page of our February 18 Order and the amount shown in the documents for which execution and delivery by the Company was approved in our June 4 Order.

IT NOW APPEARING to the Commission that the above referenced errors should be corrected. Accordingly,

IT IS ORDERED that the amount of $3,228,000 shown in the first ordering provision of our Order of February 18, 1993 and the third line of the first paragraph of our Order of June 4, 1993, is corrected to reflect the accurate amount of $3,288,000.

CASE NO. PUF930064
JANUARY 6, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue debt securities

ORDER GRANTING AUTHORITY

On December 15, 1993, Virginia Electric and Power Company ("Virginia Power", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority for the issuance of up to $39 million of tax-exempt pollution control revenue bonds ("Bonds") to refund higher cost outstanding bonds. The requisite fee of $250 has been paid.

The Bonds will be issued through the Industrial Development Authority of the Town of Louisa, Virginia and/or the County Commission of Grant County, West Virginia. The proceeds will be used to refund the $19.5 million outstanding Industrial Development Authority of the Town of Louisa, Virginia, 6 3/4% Pollution Control Revenue Bonds, Series of 1976 and/or the $19.5 million outstanding Grant County, West Virginia, 5 5/8% Air Pollution Control Revenue Bonds, Series of 1972. The outstanding bonds support financing of pollution control facilities at the North Anna Nuclear Power Station and Possum Point Power Station and at the Mt. Storm, West Virginia Power Station.

The interest rate on the bonds may be fixed or variable. If variable, the rate will be a function of short-term tax-exempt money market rates. Any variable rate bonds will contain provisions permitting the Company to fix the interest rate at any time. The Bonds are expected to have a stated maturity no later than 2024.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest, provided that the refunding results in savings to Applicant after consideration of both the interest rate and the initial offering price, together with all other expenses associated with the issuance. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to enter into transactions relating to the issuance of up to $39 million of tax-exempt pollution control revenue bonds through December 31, 1994, for the purposes and under the terms and conditions as described in the application, provided that such issuance results in savings to Applicant;

2) That, within seven days after any debt is issued pursuant to this Order, Applicant shall file a preliminary Report of Action containing the issue and maturity dates, amount issued, price to public, interest rate, and net proceeds to Applicant;

3) That, within 60 days after the end of any calendar quarter in which any debt is issued, Applicant shall file a detailed Report of Action containing the following: a detailed analysis of the savings due to the new issue, showing the effective cost rate of the redeemed issue compared to the new issue, the issue and maturity dates, amount issued, stated interest rate, redemption provisions, underwriters' fees and other issuance expenses, a detailed account of any loss on reacquired debt, to include call premiums and unamortized expenses from the original issue, net proceeds to Applicant, a list describing all filings, contracts or agreements in conjunction with the issuance, and a balance sheet reflecting the actions taken;

4) That Applicant shall file a final Report of Action on or before February 28, 1995, including the information contained in ordering paragraph (3), if applicable, and any additional information on expenses to date associated with the issue; and

5) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940001
JANUARY 28, 1994

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to issue short-term debt

ORDER GRANTING AUTHORITY

On January 6, 1994, Mecklenburg Electric Cooperative ("Mecklenburg" or "Applicant") filed an application with the Commission under Chapters 3 of Title 56 of the Code of Virginia. In its application, Mecklenburg requested authority to incur up to an additional $10,000,000 of short-term debt under one or more line of credit agreements. The amount of short-term debt proposed in this application is in excess of five percent of capitalization as defined in § 56-65.1. Applicant has paid the requisite fee of $250.

Mecklenburg presently has authority to incur up to $6,200,000 of short-term debt through a general line of credit agreement with the National Rural Utilities Cooperative Finance Corporation ("CFC") by order dated May 9, 1991, in Case No. PUF910018. Applicant now proposes to enter into one or more additional lines of credit and incur up to an additional $10,000,000 in short-term debt. However, the terms and conditions of these lines of credit limit the aggregate amount of short-term debt that may be outstanding at any one time to a maximum of $14,200,000; thus, the amount of short-term debt incurred in addition to the existing $6,200,000 CFC line may not exceed $8,000,000. Moreover, in response to a Staff data request, Mecklenburg stated that it was requesting authority for an additional $8,000,000 of short-term debt.

Applicant represents that the increase in short-term financing is needed for interim construction financing until long-term financing can be obtained.

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 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 limited to an additional $8,000,000 in short-term debt. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue short-term debt in excess of five percent of capitalization in an additional amount up to $8,000,000, but not to exceed $14,200,000 in aggregate, through September 30, 1998, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant is authorized to enter into line of credit agreements with lenders other than those specified in the application, provided that the aggregate amount of borrowings under all of Applicant's lines of credit does not exceed $14,200,000 and that Applicant obtains the most favorable terms available;

3) That on or before February 28, 1995, Applicant shall file a Report of Action pursuant to the authority granted herein, 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, 1994; and

4) That this matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF940002
MARCH 31, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to issue debt and preferred stock

ORDER GRANTING AUTHORITY

On March 8, 1994, Appalachian Power Company ("Appalachian" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue and sell first mortgage bonds ("New Bonds") and cumulative preferred stock ("Preferred"). Applicant paid the requisite fee of $250.

Applicant requests authority to issue and sell up to $275 million of New Bonds and up to $30 million of Preferred, from time to time, through December 31, 1995. In Case No. PUF930035, by order dated August 30, 1993, Applicant was authorized to issue and sell up to $175,000,000 aggregate principal amount of bonds through June 30, 1994. Pursuant to that authority, Applicant has issued $50,000,000 aggregate principal amount of bonds. Applicant requests that such authority be extended until December 31, 1995. In addition, Applicant proposes to issue an additional $150,000,000 of first mortgage bonds, resulting in the requested amount of $275,000,000.

Applicant proposes to issue the New Bonds in one or more series with maturities of not less than nine (9) months and not more than forty-two (42) years, depending on market conditions and Applicant's needs at the time of issuance. The respective interest or dividend rates on the New Bonds and Preferred will be set at the time of issuance by competitive bidding or negotiated underwriting. Any proceeds realized from the sale of New Bonds and/or Preferred will be used to refund long-term debt, to repay short-term debt, and to accomplish other proper corporate purposes.

The Commission, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. The Commission is also of the opinion that the authority granted in Case No. PUF930035 for the unissued portion of $175,000,000 aggregate principal amount of bonds, or $125,000,000, should be terminated and superseded by authority granted herein. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue and sell New Bonds up to an aggregate principal amount of $275 million, and to issue and sell Preferred up to an aggregate principal amount of $30 million, through December 31, 1995, all in a manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That the authority granted in Case No. PUF930035 for the unissued portion of $175,000,000 aggregate principal amount of bonds, or $125,000,000, shall be terminated and superseded by authority granted herein;

3) That Applicant shall submit a preliminary report within seven (7) days after issuing any New Bonds or Preferred pursuant to this Order, which shall include the issuance and maturity date, security type, amount issued, price to public, net proceeds to Applicant, interest rate or dividend yield thereon, and the comparable term Treasury yield (or interpolated yield if there are no comparable Treasuries) at the time of sale of any New Bonds or Preferred;

4) That within sixty (60) days after the end of each calendar quarter through December 31, 1995, Applicant shall file a more detailed report with respect to all securities herein authorized and sold during the calendar quarter, to include:

a. a copy of the prospectus for the security issued, and a list describing any other contracts or agreements executed for the purpose of issuing the security,

b. the security type, date of issue, date of maturity, principal amount, interest rate, or dividend yield, comparable Treasury yield (or interpolated yield) at the time of issue, underwriters' names, underwriters' fees, other issuance expenses, and net proceeds to the Applicant,

c. the cumulative principal amount issued to date under the authority granted herein, and the amount remaining to be issued,

d. a general statement of the purposes for which the securities were issued, and if the purpose is to refund an outstanding issue, a detailed analysis of the savings due to the new issue which shows the effective cost rate of the redeemed issue compared to the new issue,

e. a detailed account of any gain or loss on debt or preferred stock that is reacquired by proceeds from securities herein authorized and issued;

5) That Applicant shall file a Final Report of Action on or before June 30, 1996, to provide the information outlined in ordering paragraph 4 for the quarter ended December 31, 1995, along with a detailed schedule of all issuance expenses incurred to date, including an explanation of any variance to the estimated expenses contained in the application, and a balance sheet reflecting the action taken;

6) That approval of the application shall have no implications for ratemaking purposes; and

7) That this case shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940003
APRIL 28, 1994

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue short term debt

ORDER GRANTING AUTHORITY

On April 4, 1994, Roanoke Gas Company ("Roanoke" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia to issue up to $10,000,000 in short-term debt over a two year period. This amount of short-term debt is in excess of five percent of capitalization as defined in § 56-65.1. Applicant has paid the requisite fee of $250.

The borrowings will take place under line of credit agreements that Roanoke currently has in place with several local banks. Applicant may issue notes with maturities of 30, 60 or 90-days. The interest rate will be determined in a bidding process at the time of issuance. The proceeds of the borrowings will be used to finance general obligations, ongoing construction, and seasonal gas purchases. By letter dated April 27, 1994, Applicant proposes to incur the short-term indebtedness, from time to time, over the two year period between July 1, 1994 and June 30, 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 above proposed financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue short-term indebtedness in an aggregate amount outstanding not to exceed $10,000,000 at any one time between July 1, 1994 and June 30, 1996, under the terms and conditions and for the purposes set forth in the application;

2) That should Applicant wish to borrow short-term debt after June 30, 1996, in excess of five percent of capitalization as defined in § 56-65.1 of Chapter 3, Applicant shall seek subsequent approval from the Commission;

3) That Applicant shall file within ten days of the end of each calendar quarter, to begin with the third quarter of 1994, a Report of Action including a daily balance of short-term debt during the previous quarter, and a schedule of issuances including the amount, date issued, interest rate, and maturity;

4) That on or before July 31, 1996, Applicant shall file a final Report of Action providing the information outlined in ordering paragraph (3) for the quarter ended June 30, 1996; and

5) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF940004
APRIL 22, 1994

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For authority to incur short-term indebtedness of up to $15,000,000

ORDER GRANTING AUTHORITY

On April 8, 1994, Southside Electric Cooperative ("Southside", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur up to a maximum of $15,000,000 in short-term indebtedness. Applicant paid the requisite fee of $250.

Applicant represents that the requested increase in its short-term debt limit is needed to provide funds for the construction of planned projects and the repair of extensive ice storm damage, until permanent financing can be obtained. Applicant also represents that it is awaiting finalization of a $21,600,000 long-term loan, approved by the Rural Electrification Administration at a 5.0% interest rate. Applicant accordingly represents that it will use this long-term financing to reduce short-term indebtedness, as Southside's short-term borrowing rate exceeds its long-term borrowing rate.

The Commission, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion that approval of the proposed financing will not be detrimental to the public interest. The Commission is of the further opinion that the authority granted in Case No. PUF920047 should be terminated and superseded by the authority granted herein. Accordingly,

IT IS ORDERED:

1) That the authority granted in Case No. PUF920047 is hereby terminated and superseded by the authority granted herein;

2) That Applicant is hereby authorized to incur short-term indebtedness in an aggregate amount up to $15,000,000 from the date of this Order through April 30, 1999, under the terms and conditions and for the purposes set forth in the application;

3) That on or before March 1 of each year from 1995 through 1998, Applicant shall file an Interim Report of Action concerning all short-term borrowings during the preceding calendar year, and that such report shall include a schedule of all advances and repayments, with corresponding interest rates on all advances, a schedule separately showing all commitment fees and prepayment fees, and a balance sheet as of December 31 for the respective calendar year,

4) That on or before June 30, 1999, Applicant shall file a Final Report of Action concerning all short-term borrowings from January 1, 1998 through April 30, 1999, and that such report shall include a schedule of all advances and repayments, with corresponding interest rates on all advances, a schedule separately showing all commitment fees and prepayment fees, and a balance sheet as of March 31, 1999; and

5) That this matter shall remain under the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUF940005
JULY 7, 1994

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For authority to issue notes

ORDER GRANTING AUTHORITY

On May 2, 1994, Northern Virginia Electric Cooperative ("NOVEC", "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue notes payable to the Rural Electrification Administration ("REA") and to the National Bank for Cooperatives ("CoBank"). The application was deemed complete on June 23, 1994, with the filing of a corrected financing summary. Applicant has paid the requisite fee of $250.

Applicant proposes to increase the amount of notes issued to REA by an amount not to exceed $29,495,000 and to enter into an agreement with CoBank for a concurrent loan in the amount of $12,640,000. The interest rate on the REA note will be fixed at five percent (5%) per year. NOVEC will have the option of selecting the interest rate and term of the CoBank portion at the time of the loan draws. The total amount of the notes have a concurrent maturity of thirty-five (35) years. The proceeds from the issuance will be used to finance additional electric transmission, distribution and service lines.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to increase the amount of notes issued to REA by $29,495,00 and to enter into an agreement with CoBank for a loan in the amount of $12,640,000 under the terms and conditions and for the purposes set forth in the application;

2) That Applicant shall seek Commission approval to convert to a variable interest rate on the CoBank portion of the loans once a fixed rate has been selected;

3) That Applicant shall advise the Commission of the interest rate selected on the CoBank portion of the loan within thirty (30) days from the date of the first advance of a loan draw;

4) That this matter shall remain under the continued review, audit, and appropriate directive of the Commission, until the authority granted by this Order is exhausted; and

5) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF940006
JUNE 10, 1994

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to enter into two lease agreements

ORDER GRANTING AUTHORITY

On May 16, 1994, Appalachian Power Company ("Appalachian Power", "the Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to increase the maximum amount of property which can be leased under two existing lease agreements. Applicant has paid the requisite fee of $250.

Appalachian Power is currently authorized to lease, in an aggregate amortized value, up to $20,000,000 of automotive equipment, communications equipment, office furniture, typewriters, computers and computer software, office machines and other property under two lease agreements. One lease agreement

is with BLC Corporation ("BLC") and the other lease is with Riverside Funding, Inc. ("Riverside"). Appalachian Power now proposes to increase the limit from $20,000,000 to $35,000,000. All other terms and conditions remain unchanged from those approved by the Commission in 1988.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to lease up to an aggregate amortized value of property in an amount not to exceed $35,000,000 under the terms and conditions and for the purposes as described in the application;

2) That Applicant shall file with the Division of Economics and Finance a report of action, on an annual basis, regarding the leases approved herein, including the following information on an monthly basis: the aggregate amortized value of property leased, lease payments made to both leasing companies broken down into the rental payment and interest factor, and the interest factors for both leasing companies broken down into the commercial paper rate and the administrative rate; and

3) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF940007
JULY 1, 1994

VIRGINIA TELEPHONE COMPANY

For authority to incur long-term debt with the Rural Electrification Authority

ORDER GRANTING AUTHORITY

On May 18, 1994, Virginia Telephone Company ("Applicant") requested authority under Chapter 3 of Title 56 of the Code of Virginia to incur long-term indebtedness with the Rural Electrification Authority ("REA"). On June 10, 1994, Applicant filed additional information to complete the application. Applicant has paid the requisite fee of $25.

Applicant requests authority to incur debt obligations in the form of a note ("Note") in an aggregate principal amount up to $2,986,588. The proceeds will be used to finance the purchase and construction of telephone facilities in the Hot Springs exchange. The Note is expected to have a fixed interest rate of 5%, and the term of the Note is expected to be thirty-five (35) years.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to enter into a loan agreement to borrow up to $2,986,588 from the REA, under the terms and conditions and for the purposes set forth in the application and, without limitation to this grant, Applicant is authorized to execute and deliver the Telephone Loan Contract, Mortgage Notes, Mortgage Security Agreement and Financing Statement as may be required by the REA in connection with this loan;

2) That Applicant shall file with the Division of Economics & Finance within thirty (30) days from the date of the first advance of funds, a report of action which shall include the amount of the advance, the uses of said funds, a copy of the loan approval letter from REA, and a copy of the REA's characteristics letter;

3) That approval of the application shall have no implications for ratemaking purposes; and

4) That there being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF940008
JUNE 1, 1994

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For authority to borrow long-term debt

ORDER GRANTING AUTHORITY

Southside Electric Cooperative ("Southside", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to borrow up to $21,600,000 from the Rural Electrification Administration ("REA"). Applicant has paid the requisite fee of $25.

The REA loan is considered a hardship loan and as such is being made at 5% for 35 years. There is no concurrent lender required as a result of the hardship status. Southside qualified for hardship status due to its high rates and low customer per capita income relative to the state averages for both criteria.

The proceeds will be used to pay short-term debt and to make certain extensions of and improvements to its distribution 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 approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Southside is authorized to borrow up to $21,600,000 from the REA for the purposes and under the terms and conditions as detailed in the application; and

2) That there appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUF940009
JUNE 17, 1994

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For authority to convert fixed rate loans to variable rate loans

ORDER GRANTING AUTHORITY

On May 23, 1994, Northern Virginia Electric Cooperative ("NOVEC", "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia requesting authority for the conversion of twelve loans from fixed interest rates to variable interest rates effective April 1, 1993. Applicant has paid the requisite fee of $250.

On April 1, 1993, NOVEC converted twelve fixed rate loans with the National Rural Utilities Cooperative Finance Corporation with interest rates ranging from 7.5% to 9.5% totaling $54.9 million (as of the conversion date) to a variable interest rates. In converting these loans, NOVEC expected to reduce its interest expense. Conversion fees totaling $2,886,773 were required to change the interest rate. Applicant now requests authority for these conversions. NOVEC also requests authority to convert these loans back to fixed interest rates if market conditions make such conversion favorable.

Applicant represents that the conversion of the notes was not detrimental to the public interest and that its goal in converting the notes was to take advantage of the comparably low variable rate. NOVEC also indicates that interest savings at the time of this application were in excess of $3.1 million which more than offsets the total amount of conversion fees incurred in the transaction.

Applicant proceeded with the conversion of the twelve notes without Commission authority as required in Chapter 3 of Title 56 of the Code of Virginia. Applicant represents that the failure to file on a timely basis was not an intentional act on the part of NOVEC, but an oversight of procedure.

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 finds that the Applicant violated Chapter 3 of Title 56 of the Code of Virginia. Therefore, we place Applicant on notice that its future interest rate conversions will be closely monitored by our Staff. Furthermore, any future violation hereafter could result in the Commission exercising its powers granted in Section 56-71 of Chapter 3 of the Code of Virginia. Accordingly,

IT IS ORDERED:

1) That Applicant's conversion of the twelve CFC loans is hereby authorized effective on the date of this Order under the terms and conditions and for the purposes set forth in the application;

2) That Applicant may convert the loans back to a fixed rate if market conditions make such conversion favorable and result in further savings to Applicant;

3) That should Applicant elect to convert the loans back to a fixed rate, Applicant shall advise the Commission's Division of Economics and Finance of the transaction and evidence of the associated cost savings within 10 days of the conversion;

4) That Applicant shall take all necessary steps to avoid violating Chapter 3 of Title 56 of the Code of Virginia;

5) That Applicant's future interest rate conversions be closely monitored by Staff for compliance with Chapter 3 of Title 56 of the Code of Virginia;

6) That Applicant file directly with the Division of Economics and Finance within 30 days of the end of the period a semi-annual report beginning with June 30, 1994 and continuing until Staff deems it unnecessary, to include a list of outstanding long term loans, end of quarter balances, current interest rates, most recent interest rate conversion dates, and an analysis of savings to date on notes that have been refinanced; and

7) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF940010
JUNE 17, 1994

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue common equity

ORDER GRANTING AUTHORITY

On May 25, 1994, Roanoke Gas Company ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia to issue additional common stock in connection with a two-for-one stock split. Applicant has paid the requisite fee of $250.

The issuance would be in the form of a 100% stock dividend to be paid to current shareholders as of June 15, 1994, and would be effective as of July 1, 1994. Applicant estimates that approximately 680,000 shares will need to be issued as a result of the transaction. Applicant estimates the cost of the transaction to be $13,500.

On May 23, 1994, Applicant's Board of Directors approved the stock split, subject to Commission approval. Applicant represents that, although no additional funds will be received by the Company, a lower stock price may appeal to a broader group of potential investors and may enable the Company to better raise equity capital in the future in order to improve its service to its customers. Applicant also requests that the number of shares authorized in its Dividend Reinvestment and Stock Purchase Plan in Case No. PUF930041 be changed accordingly.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the above proposed transaction will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue common stock under the terms and conditions and for the purposes set forth in the application;

2) That Applicant is authorized to make any adjustments to the number of shares available under its Dividend Reinvestment and Stock Purchase Plan as may be necessary to effect the stock split authorized herein;

3) That on or before August 15, 1994, Applicant shall file a final Report of Action containing the total expenses of the transaction and the total number of shares authorized and outstanding as of July 1, 1994; and

4) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF940011
JUNE 21, 1994

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For authority to issue and sell common stock and/or debt securities

ORDER GRANTING AUTHORITY

On May 27, 1994, Delmarva Power & Light Company ("Applicant" or "Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue up to $250,000,000 of any combination of the Company's common stock ("Common Stock"), and/or secured or unsecured debt securities ("Debt Securities"). Applicant has paid the requisite fee of $250.

Applicant proposes to issue the Common Stock and/or Debt Securities (collectively, "Proposed Securities") in one or more series from time to time through July 31, 1996. Applicant intends for any Debt Securities to be issued with maturities ranging from nine months to forty years. 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.

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, financing acquisitions of other entities or facilities, whole or partial refunding or redemption of outstanding securities, maintenance of service and other proper corporate purposes including the repayment of short-term debt.

The Commission, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue and sell up to $250,000,000 of additional Common Stock and/or Debt Securities through July 31, 1996, all in a manner, under the terms and conditions, and for the purposes as set forth in the application, provided that the issuance of any refunding Debt Securities results in cost savings to Applicant;

2) That the interest rate on any Debt Securities issued under the authority granted in ordering paragraph one (1) shall not exceed 200 basis points above the yield on a comparable U.S. Treasury security;

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 1996 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 (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 an outstanding issue, a cost/benefit analysis supporting the cost savings;

(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 October 31, 1996, 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. PUF940012
JULY 7, 1994

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For authority to issue short-term debt

ORDER GRANTING AUTHORITY

On June 13, 1994, Northern Neck Electric Cooperative ("Northern Neck" or "Applicant") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia. In its application, Northern Neck requested authority to incur up $2,500,000 of short-term debt under one or more line of credit agreements. The amount of short-term debt proposed in this application is in excess of five percent of capitalization as defined in § 56-65.1. Applicant has paid the requisite fee of $250.

Northern Neck presently has authority to borrow up to $2,500,000 in short-term debt through a general line of credit agreement with the National Rural Utilities Cooperative Finance Corporation ("CFC") which expires on September 25, 1994. Applicant now proposes to renew the CFC line of credit for an additional sixty months. Applicant also requests authority to use other lenders in the future.

Applicant represents that the increase in short-term financing is needed for interim construction financing until long-term financing can be obtained.

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 approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue short-term debt in excess of five percent of capitalization in an aggregate amount up to $2,500,000 through September 25, 1999, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant is authorized to enter into line of credit agreements with lenders other than CFC, provided that the aggregate amount of borrowings does not exceed $2,500,000 and that Applicant obtains the most favorable terms available;

3) That the authority granted herein shall have no implications for ratemaking purposes;

4) That on or before February 28, 1996, Applicant shall file a Report of Action pursuant to the authority granted herein, including a schedule of all advances and repayments under all established line of credit agreements from the date of this Order through December 31, 1995, with corresponding interest rates on all advances and comparison rates from other institutions, and a balance sheet as of December 31, 1995; and

5) That this matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF940013
JULY 25, 1994

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On June 30, 1994, Mecklenburg Electric Cooperative ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Electrification Administration ("REA") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from the REA in the amount of $5,600,000 and from the CFC in the amount of $2,400,000. The proceeds will be used to fund the construction and operation of electric distribution, transmission and service lines, including system improvements and replacements required to furnish and improve electric service. The loan from REA may carry an interest rate maturity ranging form one to thirty five years but the rate will never exceed 7% per annum. The CFC loan may have variable or fixed interest rates with maturities form one to thirty five years. Applicant requests authority to determine the interest rate at the time the loan funds are drawn down.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to borrow up to $5,600,000 from REA and to borrow up to $2,400,000 from CFC, under the terms and conditions and for the purposes set forth in the application;

2) That within thirty (30) days of the date of each advance of funds from both REA and CFC, Applicant shall file with the Commission's Division of Economics & Finance a report of action which shall include the amount of the advance, the interest rate, and interest rate maturity;

3) That approval of the application has no implications for ratemaking purposes; and

4) That there being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF940014
JULY 28, 1994

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue debt securities, preferred stock, and common stock

ORDER GRANTING AUTHORITY

On July 5, 1994, Washington Gas Light Company ("Applicant") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue and sell up to $275 million in debt securities, issue up to $50 million of preferred stock, and issue up to 4,750,000 shares of common stock. Applicant paid the requisite fee of $250.

Applicant proposes to issue up to $275 million of debt securities in the form of first mortgage bonds, debentures, loans, medium term notes ("MTN"), debt securities which may be convertible into common stock, or other forms of long-term debt. Applicant requests authority to issue the proposed debt securities through one or more public offerings, private placements, or Eurodollar market offerings, depending on capital market conditions at the time of issuance. The proposed debt securities will be issued with a maturity of not less than one year. Applicant represents that the interest rate, adjusted for discount or premium, on any debt issued will not exceed 200 basis points above comparable maturity U.S. Treasury securities, excluding issuance costs. Applicant requests the authority to issue this debt at any time within the two-year effective period of its Shelf Registration with the Securities and Exchange Commission ("SEC"). Should Applicant issue MTN which mature prior to the end of the two-year period of authority, Applicant requests authorization to replace maturing MTN with new debt securities. At no time, however, would the aggregate principal amount of new debt issues outstanding exceed the requested amount of $275 million.

Additionally, Applicant requests authority to issue and sell up to $50 million of preferred stock at any time during the same authorization period applicable to the $275 million of proposed debt securities. Applicant seeks the flexibility to issue the preferred stock as fixed-rate, adjustable-rate, auction-rate, perpetual, convertible, or other forms, depending on market conditions at the time of issuance.

Lastly, Applicant requests authority to cumulatively issue up to 4,750,000 additional shares of common stock. Applicant seeks authorization to issue up to 2,250,000 shares of common stock through one or more public offerings during the same authorization period applicable to the proposed $275 million of new debt. Applicant also requests the authority to issue up to 1,000,000 additional shares of common stock on an on-going basis through its Dividend Reinvestment and Common Stock Purchase Plan ("DRP") and other common stock plans. Finally, Applicant seeks authorization to issue and sell up to 1,500,000 shares of common stock at any time as provided through conversion features underlying any convertible debt or preferred stock, which may be issued under the authority requested in this case.

Applicant represents that funds obtained from the proposed security issuances will be used for on-going capital expenditures, working capital requirements, payment of sinking funds, replacement of maturing debt, and for the potential refunding of debt prior to maturity if market conditions make it attractive to do so.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is of the further opinion that the authority granted should be for a defined period of two years beginning January 1, 1995, instead of a period beginning with an uncertain SEC filing date. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to:

(a) issue and sell additional long-term debt securities up to an aggregate principal amount of $275 million;

(b) issue and sell additional Preferred Stock up to an aggregate principal amount of $50 million;

(c) issue and sell up to 2,250,000 additional shares of common stock in one or more public offerings;

from January 1, 1995, through December 31, 1996, all in a manner, under the terms and conditions, and for the purposes as set forth in the application, provided that any securities issued to refund outstanding debt prior to maturity result in cost savings to Applicant;

2) That Applicant is authorized to issue debt securities to replace any medium-term notes that are issued and mature within the two-year period authorized in ordering paragraph (1), as set forth in the application;

3) That any debt securities authorized herein shall be issued at a yield (stated interest rate adjusted for discount or premium) that shall not exceed the current yield on United States Treasury securities of comparable maturity by 200 basis points, excluding issuance costs;

4) That any preferred stock security authorized herein shall be issued at an effective rate (stated dividend rate adjusted for discount or premium), that shall not exceed the current yield on municipal debt issues of comparable maturity and quality by 150 basis points, excluding issuance costs;

5) That within forty-five (45) days after each SEC filing pertaining to the securities in ordering paragraph (1), Applicant shall file a copy of the SEC registration statement, a copy of the basic prospectus filed with the SEC, and a list describing any other filings, contracts, or agreements in conjunction with the issuance, including any affiliation, direct or indirect, through directors, stockholders or ownership of securities between Applicant and the agent;

6) That Applicant shall submit a preliminary report within seven (7) days after the issuance of any security pursuant to ordering paragraphs (1) and (2) which includes the date of issuance, type of security, amount, interest or dividend rate thereon, and comparable yield data confirming that the maximum rate for long-term debt or preferred stock in ordering paragraphs (3) and (4) was not exceeded;

7) That within sixty (60) days after the end of each calendar quarter in which any securities are issued pursuant to ordering paragraphs 1 and 2, Applicant shall file a more detailed report with respect to all securities sold during the calendar quarter including:

(a) the issuance date, type, amount, interest or dividend rate, date of maturity, underwriters' names, underwriters' fees, other issuance expenses to date, and net proceeds to Applicant;

(b) a copy of any terms or conditions not previously provided (e.g., conversion provisions, indenture amendments, charter amendments, etc.) which were executed for the purpose of issuing any security under ordering paragraphs (1) and (2);

(c) the cumulative principal amount issued under the authority granted herein, and the amount remaining to be issued;

(d) a general statement of the purposes for which the securities were issued, and if the purpose is for the early redemption of an outstanding issue, to provide a schedule showing any associated losses on reacquired debt along with a calculation of the refunding issue's effective cost rate after inclusion of any related losses on reacquired debt, and overall cost savings from the refunding;

(e) change in capital structure due to issue(s), and a balance sheet as of the respective quarter ended;

8) That Applicant is authorized to issue and sell up to 1,000,000 additional shares of common stock through its DRP and other stock plans;

9) That Applicant is authorized to issue and sell up to 1,500,000 shares of common stock as provided by the conversion feature underlying any convertible debt security or preferred stock shares issued pursuant to ordering paragraphs (1) and (2);

10) That approval of the application shall have no implications for ratemaking purposes;

11) That Applicant shall file a final Report of Action on or before March 31, 1997, showing actual expenses and fees paid to date for the proposed financing, and an explanation of any variance from the estimated expenses contained in the Financing Summary attached to the application; and

12) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940015
SEPTEMBER 8, 1994

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On July 27, 1994, Virginia Gas Distribution Company ("Applicant" or "VGDC") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant filed additional information to complete its application on August 9, 1994. Applicant has paid the requisite fee of $250.

Applicant requests 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. Applicant also proposes 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, 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 $8.0 million of Exempt Facility Revenue Bonds ("the Bonds") by the Industrial Development Authority of Buchanan County ("the Authority") on behalf of VGC, VGDC, VGEC, and VGSC for the purpose of providing funds to acquire, improve, construct and equip a natural gas distribution facility in Buchanan County, Virginia and supporting assets in the Virginia Counties of Buchanan, Dickenson, Scott, and Washington.

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 having been advised by its Staff, is of the opinion that approval of the authority requested will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized from the date of this Order through November 1, 1995:

   (a) to issue up to $1,500,000 aggregate principal of debt in the form of a promissory note to VGC;

   (b) to loan a portion of the amount borrowed under the authority granted in ordering paragraph 1(a) to VGEC and/or VGSC in the form of a promissory note;

all in the manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That approval of the application shall have no implications for ratemaking purposes;

3) That any other affiliate financing arrangements and affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein;

4) That approval of the application shall not preclude the Commission from applying the provisions of Sections 56-78 and 56- 80 of the Code of Virginia hereafter;

5) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to section 56-79 of the Code of Virginia;

6) That Applicant shall file 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;

(c) a copy of the proposed affiliate financing arrangements, containing all terms and conditions of promissory notes from VGDC to VGC and from VGEC and/or VGSC to VGDC;

7) That Applicant shall file a final report of action on or before January 30, 1996, to include:

(a) a balance sheet for VGC, VGDC, VGEC and VGSC, respectively, reflecting the actions taken;

(b) a detailed account of all issuance costs incurred to date on the Bonds, the amount to be paid by VGC, and the amount and methodology used to allocate any such issuance costs to affiliate financings authorized in ordering paragraph 1;

(8) That this matter be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF940016
SEPTEMBER 8, 1994

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue short-term debt and sell commercial paper to affiliates

ORDER GRANTING AUTHORITY

On August 18, 1994, 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 five 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, 1994 through September 30, 1995. 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, Brandywood Estates, Inc., Washington Resources Group, Inc., Washington Gas Energy Systems, Inc., and American Environmental Products, Inc. ("Affiliates"). The bank notes and commercial paper will bear interest at the prevailing market rate at the time of issue. The proceeds 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, 1994 through September 30, 1995, 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 its Affiliates, under the terms and conditions and for the purposes set forth in the application;

3) That the authority granted herein shall not preclude the Commission from applying the provisions of 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 November 30, 1995, that shows WGL's daily short-term debt activity from October 1, 1994 through September 30, 1995, 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, 1995; and

7) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940017
SEPTEMBER 8, 1994

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 18, 1994, 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 $26,000,000 and $23,000,000, respectively, from October 1, 1994 through September 30, 1995. The advances will be used for 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 debt, including short-term debt and preferred stock, adjusted to exclude non-utility subsidiaries. The interest rate will be calculated on a monthly basis.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That WGL is authorized to make interest-bearing open account advances to its affiliates, Frederick and Shenandoah, from October 1, 1994 through September 30, 1995;

2) That Shenandoah is authorized to receive interest bearing open account advances from WGL;

3) That the total aggregate amount outstanding at any one time of Advances made to Frederick and Shenandoah shall be $26,000,000 and $23,000,000, respectively;

4) That the Advances shall be made under the terms and conditions and for the purposes set forth in the application;

5) That 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;

6) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia;

7) That approval of the application shall have no implications for ratemaking purposes;

8) That Applicant shall file a report of the action taken pursuant to the authority granted herein on or before November 30, 1995, including a schedule of Advances, showing the outstanding Advance balance on September 30, 1994, the amount and date of subsequent Advances, the corresponding interest rates, any repayments made by Frederick and Shenandoah, and the maximum outstanding balance during each month; and

9) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940018
SEPTEMBER 13, 1994

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For authority to enter into transactions related to the issuance of tax-exempt debt

ORDER GRANTING AUTHORITY

On August 19, 1994, Delmarva Power & Light Company ("Applicant" or "the Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to borrow the proceeds from the issuance and sale of up to $55,000,000 of Gas Facilities Revenue Bonds ("Revenue Bonds") by the Delaware Economic Development Authority ("the Authority"), such issuance and sale to occur in one or more series on or before December 31, 1996. Applicant has paid the requisite fee of $250.

Applicant expects the Revenue Bonds to be issued with maturities ranging from nine months to forty years. Moreover, Applicant requests broad flexibility regarding the actual terms and conditions of the Revenue Bonds to accommodate prevailing market conditions at the time of issuance.

The Company may be required to provide credit support for the transaction, which may be in the form of a letter of credit or bond issuance. The net proceeds from the sale of the Revenue Bonds will be used to finance additions and improvements to the Company's gas distribution facilities.

The Commission, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized, under the terms and conditions and for the purposes set forth in its application to:

(a) borrow the proceeds from the Authority's issuance and sale of up to $55,000,000 of Revenue Bonds in one or more series on or before December 31, 1996,

(b) issue, as security, up to $62,000,000 of the Company's First Mortgage Bonds, which may be designated as Secured Medium-Term Notes, in one or more series,

(c) provide such other security and/or credit support as the Company may elect, to provide credit enhancement and reduce Delmarva's effective interest cost;

2) That Applicant shall submit a preliminary Report of Action within seven (7) days after the issuance of the Revenue Bonds pursuant to this order including the date, type, amount, interest rate, and price or proceeds to the Company;

3) That within sixty (60) days after the end of each calendar quarter through 1996 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 Revenue Bonds;

(b) the issuance date, type of security, amount issued, interest rate, Bond Buyer Index and Kenney Index at the time of issuance, 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 principal amount issued under the authority granted herein, and the amount remaining to be issued;

(d) a general statement of the purposes for which the Revenue Bonds were issued; and

(e) a balance sheet reflecting the change in capital structure due to the issue(s);

4) That Applicant shall file a final Report of Action on or before February 28, 1997, to include a detailed account of the expenses and fees paid to date for issuing the Revenue Bonds with an explanation of any variance to the estimated expenses contained in the Financing Summary attached to the application;

5) That approval of the application shall have no implications for ratemaking purposes; and

6) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940019
SEPTEMBER 12, 1994

APPLICATION OF
VIRGINIA TELEPHONE COMPANY

For authority to issue debt

ORDER GRANTING AUTHORITY

In a July 1, 1994 Final Order in Case No. PUF940007, Virginia Telephone Company ("Applicant") was granted authority pursuant to Chapter 3 of Title 56 of the Code of Virginia to incur long-term indebtedness with the Rural Electrification Administration ("REA") in an amount up to $2,986,588. By application filed September 6, 1994, Applicant requests authority to increase its long-term debt granted in that case to an amount totaling $3,060,200. Applicant has paid the requisite fee of $250.

Applicant requests authority to borrow from Rural Telephone Bank ("RTB") an amount not to exceed $1,537,200 and to purchase Class B stock of RTB with $73,200 of the funds borrowed from such bank. Applicant also requests authority to borrow from the REA an amount not to exceed $1,523,000. The proceeds from the two loans (exclusive of the amount borrowed to purchase such Class B stock or for refinancing) will be used to finance the construction and operation of telephone lines and facilities.

NOW THE COMMISSION, having considered the application and having been advised by Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

(1) That Applicant be, and hereby is, authorized to incur additional long-term debt of $73,612 for a total aggregate principal amount of $3,060,200 in any combination from both REA and RTB under the terms and conditions and for the purposes set forth in the application;

(2) That, without limitation to this grant of authority which provides for the applicant to incur all liabilities and obligations required in connection with these loans and to perform all acts required, the Applicant is authorized to execute and deliver the Telephone Loan Contract, Mortgage Notes made by Applicant payable to RTB and REA, respectively, and the Mortgage, Security Agreement, and Financing Statement as may be required in connection with these loans;

(3) That Applicant shall file with the Clerk of the Commission within thirty (30) days from the date of the first advance of funds, a report of action which shall include the amount of the advance, the uses of said funds, a copy of the loan approval letters from REA and RTB, and a copy of REA's characteristics letter;

(4) That approval of the application shall have no implications for ratemaking purposes;

(5) That a copy of this Order shall be associated with the papers in Case No. PUF940007; and

(6) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940020
OCTOBER 19, 1994

SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For authority to issue notes

ORDER GRANTING AUTHORITY

On October 3, 1994, Shenandoah Valley Electric Cooperative ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to borrow from the United States of America and the National Bank for Cooperatives ("CoBank"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from the United States of America through the Administrator of the Rural Electrification Administration ("REA") in the amount not to exceed $5,600,000 and from CoBank in the amount not to exceed $2,400,000. The proceeds will be used to fund the construction and operation of electric distribution, transmission and service lines, including system improvements and replacements required to furnish and improve electric service. The loan from REA may be drawn from time to time in the form of mortgage notes and may carry an interest rate that can be fixed for terms ranging from one to thirty-five years, but never exceeding 7% per annum. The CoBank loan may be drawn from time to time on or before November 1, 1998, in the form of mortgage notes and may have variable or fixed interest rates, and each note may have interest rates that can be fixed for terms ranging from one to thirty-five years. Applicant requests authority to determine the interest rate at the time the notes are issued.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to borrow up to $5,600,000 from the REA and to borrow up to $2,400,000 from CoBank, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant shall seek Commission approval to convert or prepay any CoBank note that incurs a conversion or a prepayment surcharge;

3) That within thirty (30) days from the date of the first advance of funds from both REA and CoBank, Applicant shall file with the Commission's Division of Economics & Finance a report of action which shall include the amount of the advance, the interest rate and the interest term selected;

4) That approval of the application has no implications for ratemaking purposes; and

5) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF940021
OCTOBER 26, 1994

CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On October 3, 1994, Central Virginia Electric Cooperative ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Electrification Administration ("REA") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from the REA in the amount of $5,600,000 and from the CFC in the amount of $2,400,000. The proceeds will be used to fund the construction of facilities to serve approximately 1,390 new consumers which will include the construction of three substations and three transmission lines and other system improvements. The loan from REA may carry an interest rate that can be fixed for terms ranging from one to thirty five years but the rate will never exceed 7% per annum. The CFC loan may have variable or fixed interest rates that can be fixed for terms ranging from one to thirty five years. Applicant requests authority to determine the interest rate at the time the loan funds are drawn down.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to borrow up to $5,600,000 from REA and to borrow up to $2,400,000 from CFC, under the terms and conditions and for the purposes set forth in the application;

2) That within thirty (30) days of the date of each advance of funds from both REA and CFC, Applicant shall file with the Commission's Division of Economics & Finance a report of action which shall include the amount of the advance, the interest rate, and interest rate maturity;

3) That approval of the application has no implications for ratemaking purposes; and

4) That there being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF940022
NOVEMBER 30, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to continue the Inter-Company Credit Agreement

ORDER GRANTING INTERIM APPROVAL

On October 11, 1994, Virginia Electric and Power Company ("Virginia Power" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting an extension of an Inter-Company Credit Agreement ("ICA") with Dominion Resources, Inc. ("DRI") which, in its current form, was approved by the Commission in Case No. PUF910034. Applicant has paid the requisite fee of $250.

The ICA was initially approved by the Commission on June 30, 1986, within the scope of a broader investigation concerning the reorganization of Virginia Power and DRI in Case No. PUE830060. The ICA became an issue again in Case No. PUF910034, Virginia Power's application for an extension of the financing arrangement for its Surry nuclear fuel. Within the context of PUF910034, the Commission expanded the scope of the proceeding to include a review of the ICA. After considering comments filed by the Commission Staff and Virginia Power, the Commission issued an order on November 25, 1992, directing amendments to be made to the ICA and approving the amended ICA for a two year period ending December 31, 1994. In approving the amended ICA, the Commission stated that:

> . . . we balance the cost savings against the probability that Virginia Power will be unduly exposed to the non-regulated subsidiaries and agree with Virginia Power that the benefits of the joint arrangements outweigh the risks at the present time. However, should this balance change in the future, the joint arrangement may not be appropriate."

(1992 S.C.C. Ann. Rep. 354)

Applicant now requests that the ICA be extended for an additional two year period through December 31, 1996. In support of its request, Virginia Power states that the terms and conditions are, in all material respects, the same. While the Commission does not question that the terms and conditions of the ICA have not changed, there certainly have been significant changes among the relationships between Virginia Power, DRI, and the non-regulated subsidiary companies of DRI. These changes as well as others were discussed extensively in the Commission's "Order Continuing Proceeding Generally, and Instituting New Proceeding" issued on August 24, 1994, in Case Nos. PUE940040 and PUE940051.

In the August 24, 1994 Order, the Commission instructed its Staff to investigate whether any existing affiliate agreements between the companies should be terminated or modified. The Commission also stated that if matters should arise which require other specific attention outside the scope of this new investigation the Staff was to ensure that these issues receive consideration in other appropriate cases.

In the current case, the Staff has recommended that the ICA be approved on an interim basis. In support of its recommendation, Staff states that it anticipates that the ICA will be fully addressed within the ongoing investigation in Case No. PUE940051. Staff also points out that if the ICA is not extended beyond December 31, 1994, Applicant would be without credit support for its commercial paper program, potentially creating a liquidity problem for Virginia Power that could have significant consequences for Virginia ratepayers.

THE COMMISSION, upon consideration of the application and subsequent representations made by Applicant, the ongoing investigation in Case No. PUE940051, and the advice of its Staff, is of the opinion and finds that the ICA should not be extended for a two year period as requested by Virginia Power. Approval of the ICA for a full two year period could potentially conflict with the conclusions reached and actions required in Case No. PUE940051. The Commission is also aware that denying the application could result in liquidity problems for Virginia Power that would not serve the public interest.

The Commission is of the opinion and finds that the ICA should be extended, on an interim basis, subject to the outcome of the investigation in Case No. PUE940051. During the interim, we will also direct Virginia Power to study possible alternatives to the ICA, including the steps necessary and costs associated with securing its own lines of credit if ordered by the Commission. Upon conclusion of the investigation in Case No. PUE940051, the Commission will make a subsequent decision on both the ICA and the sharing of the lines of credit. Accordingly,

IT IS ORDERED:

1) That the ICA shall be extended on an interim basis until further order of the Commission;

2) That Virginia Power shall study possible alternatives to the ICA, including the steps necessary and costs associated with securing its own lines of credit to provide liquidity for its commercial paper program;

3) That on or before March 31, 1995, Virginia Power shall file with the Commission's Division of Economics and Finance a Report that details the outcome of Virginia Power's study related to potential new lines of credit including: the banks that have been contacted regarding potential credit support; the amount of time necessary to put in place such credit support; and an itemized listing of all potential expenses associated with the lines of credit to include legal expenses, up front fees, and commitment fees;

4) That interim approval of the application shall have no implications for ratemaking purposes;

5) That this case shall be continued until further order of the Commission.

CASE NO. PUF940023
NOVEMBER 9, 1994

BARC ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On October 19, 1994, BARC Electric Cooperative ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to borrow from the United States of America and the National Rural Utilities Cooperative Financing Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from the United States of America through the Rural Electrification Administration ("REA") in the amount not to exceed $1,926,000 and from CFC in the amount not to exceed $826,000. The proceeds will be used to fund the construction of electric distribution and transmission facilities required to furnish and improve electric service to new and existing customers. The REA and CFC loans will both have maturities of thirty-five (35) years. The loan from REA may be drawn from time to time in the form of mortgage notes and may carry an interest rate that can be fixed for terms ranging from one to thirty-five years, but never exceeding 7% per annum. The CFC loan may have a variable interest rate or a rate of interest that can be fixed for terms ranging from one to thirty-five years. Applicant requests authority to determine the interest rate at the time the notes are issued.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to borrow up to $1,926,000 from the REA and to borrow up to $826,000 from CFC, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant shall seek Commission approval to convert or prepay any CFC note that incurs a conversion or a prepayment surcharge;

3) That Applicant shall file a report of action with the Division of Economics and Finance within thirty (30) days of each advance of funds until the full amounts of the REA and CFC loans are advanced, with such report to include the amount of the advance, the associated interest rate, and the term of the interest rate selected;

4) That approval of the application has no implications for ratemaking purposes; and

5) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF940024
NOVEMBER 14, 1994

APPLICATION OF
KENTUCKY UTILITIES COMPANY

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On October 24, 1994, Kentucky Utilities Company ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to incur up to $100,000,000 in short-term indebtedness. This amount of short-term debt is in excess of five percent of capitalization as defined in § 56-65.1. Applicant paid the requisite fee of $250.

Applicant proposes to issue short-term debt in an amount not to exceed $100,000,000 outstanding at any one time through December 31, 1996. The proposed short-term debt will be in the form of unsecured bank notes and/or commercial paper. Applicant represents that the funds will be used primarily for the temporary financing of construction expenditures and/or other capital requirements. Applicant also proposes to use short-term debt to provide temporary financing for the refunding, redemption, prepayment, or early redemption of certain of its long-term debt or preferred stock if market rates make it advantageous to do so. The bank notes and commercial paper will bear interest at the prevailing market rate at the time of issuance.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue short-term debt, in an amount not to exceed $100,000,000 outstanding at any time through December 31, 1996, all in a manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That, on or before March 31 of 1996 and 1997, Applicant shall file a report which details the amount and cost rate of Applicant's short-term borrowings in each month for the preceding year including the amount of any related fees on such borrowings along with an explanation of how each type of fee is determined;

3) That the authority granted herein shall have no implications for ratemaking purposes;

4) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940027
DECEMBER 1, 1994

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 8, 1994, 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. On November 18, 1994, United Cities amended its application. The amount of short-term debt proposed in this application is in excess of five percent of capitalization as defined in § 56-65.1. Applicant has paid the requisite fee of $250.

In its application, as amended, United Cities requests authority to borrow up to $75,000,000 of short-term debt during calendar year 1995. Applicant proposes to borrow the short-term funds by making draw-downs under Master Note arrangements already in place with several banks. The interest rates are expected to be either negotiated or the equivalent of the then-prevailing prime commercial lending rate at the time of the draw-down, with principal and interest paid on a set maturity date. In addition, Applicant has requested authority to borrow and/or lend short-term debt among it and its subsidiaries up to a maximum of $3,000,000 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:

1) That Applicant is hereby authorized to issue short-term debt in excess of five percent of capitalization in an aggregate amount outstanding not to exceed $75,000,000 at any one time for the calendar year ended December 31, 1995, under the terms and conditions and for the purposes set forth in the application;

2) That Applicant is hereby authorized to lend and borrow short-term debt among it and its subsidiaries up to an aggregate amount of $3,000,000 for the calendar year ended December 31, 1995, under the terms and conditions and for the purposes set forth in the application;

3) That Applicant shall continue to file within 60 days of the end of each calendar quarter commencing on May 30, 1995, a report regarding short-term debt financing to include the date, amount, interest rate of each draw-down, interest coverage ratios calculated in accordance with Applicant's indenture agreement, the use of the proceeds, the average monthly balances, the monthly maximum amount outstanding, the associated costs, and a balance sheet reflecting actions taken as well as a report describing the source, amount, date, interest rate and the schedule of repayment for each affiliate loan/borrowing;

4) That the authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia;

6) That the authority granted herein shall have no implications for ratemaking purposes; and

7) That this matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF940028
DECEMBER 15, 1994

APPLICATION OF
UNITED CITIES GAS COMPANY
and
UCG ENERGY CORPORATION

For authority to transfer common stock

ORDER GRANTING AUTHORITY

On November 8, 1994, United Cities Gas Company ("Applicant" or "United Cities") and UCG Energy Corporation ("UCG Energy") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to issue up to 350,000 shares of United Cities' stock with an aggregate value of $5,000,000 to UCG Energy in a private placement effective January 1, 1995. UCG Energy proposes to transfer the shares of stock and other consideration to acquire a 44 percent interest in Woodward Marketing, Inc. UCG Energy and Woodward Marketing, Inc. then plan to form a Delaware limited liability company, with UCG Energy having a 45 percent interest in the new company (made up of the 44 percent undivided interest in Woodward Marketing, Inc. plus UCG Energy's gas marketing contracts representing 1 percent). Applicant has paid the requisite fee of $250.

The value of United Cities' common stock for the purposes of this transaction will be the average closing price per share for the ten days preceding the date five days prior to the closing. If that price is greater than $17.50 per share, Woodward Marketing has the option to terminate the transaction prior to closing. If the price of the stock is less than $15.50 per share, UCG Energy has the option to terminate the transaction.

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. Applicant should be aware, however, that the approval of this application does not constitute approval of any future affiliate arrangements. 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 and conditions and for the purposes set forth in the application;

2) That UCG Energy is authorized to transfer up to 350,000 shares of United Cities' common stock and other consideration to acquire a 44% interest in Woodward Marketing, Inc.;

3) That UCG Energy is authorized to form a Delaware limited liability company with Woodward Marketing Inc., with UCG Energy having a 45 percent interest in the new company;

4) That the authority granted herein shall not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the authority granted herein shall not constitute approval under Section 56-77 of the Code of Virginia of any future transactions between United Cities and the partnership between UCG Energy and Woodward Marketing, Inc.;

6) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia;

7) That Applicant shall submit a Preliminary Report of Action within ten (10) days of the issuance of common stock, to include the date of issuance, the number of shares issued, and the price per share;

8) The Applicant shall submit a Final Report of Action on or before March 1, 1995, to include the date of the issuance; the number of shares; the price per share; copies of public announcements, if any, made regarding the formation of a partnership between UCG Energy and Woodward Marketing, Inc.; evidence of the formation of the Delaware limited liability company such as a certificate of incorporation to include the name of the partnership, date of formation, and a list of principals or officers; and a United Cities consolidated balance sheet reflecting the actions taken; and

9) That this matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF940029
DECEMBER 21, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to assume debt

ORDER GRANTING AUTHORITY

On November 14, 1994, Virginia Electric and Power Company ("Virginia Power", "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority for the assumption of $24,500,000 of tax-exempt revenue bonds ("Bonds") under an unsecured note payable containing terms identical to the terms of the Bonds. The requisite fee of $250 has been paid.

The assumption of the Bonds is part of an agreement to purchase the North Branch Power Project ("Project") from N.B. Partners, Ltd. ("NBP"). The Bonds were originally issued by the County Commission of Grant County, West Virginia, on behalf of NBP. A loan of the Bond proceeds was made between Grant County and NBP to finance a portion of the Project.

The Bonds have a stated maturity of December 1, 2016 and currently bear interest at variable rates based upon short-term, tax-exempt rates in effect from time to time. The Bonds contain provisions that will allow the Company to choose either a weekly interest rate, a flexible interest rate, or a term interest rate.

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. Applicant should be aware, however, that approval of this application does not constitute approval of the purchase of the North Branch Power Project for ratemaking purposes. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to assume $24,500,000 of tax-exempt bonds under an unsecured note payable for the purposes and under the terms and conditions as described in the application;

2) That, within 60 days after the debt is assumed, Applicant shall file a Report of Action containing the following: the date the Bonds are assumed, the then current interest rate, the total amount assumed, the actual expenses associated with the assumption to include contingent liabilities of and other consideration paid to NBP, contracts or agreements in conjunction with the assumption of the Bonds, copies of any public announcements made regarding the assumption of the Bonds or the purchase of the North Branch Project, and a balance sheet reflecting the actions taken;

3) That Applicant shall file a final Report of Action on or before December 29, 1995, containing a copy of analysis performed regarding the cost-effectiveness of refinancing or renegotiating the terms of the Bonds six months after the assumption, any conclusions drawn from the analysis, and a statement of Virginia Power's plans regarding the Bonds;

4) That approval of this application shall have no implications for ratemaking purposes; and

5) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940030
DECEMBER 1, 1994

APPLICATION OF
UNITED CITIES GAS COMPANY

For authority to issue common stock

ORDER GRANTING AUTHORITY

On November 15, 1994, United Cities Gas Company ("United Cities" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue up to an additional 1,000,000 shares of common stock under its Customer Stock Purchase Plan ("Plan"). Applicant has paid the requisite fee of $250.

Under the plan any customer who is not already a shareholder will be able to make one stock purchase at a five percent discount. The five percent discount applies to the average price per share based on the closing prices for the period of five trading days ending on the pricing date. The minimum investment is $250 and the maximum investment is $10,000.

United Cities represents that the proceeds from the sale of such shares will be used to provide working capital to finance the construction, extension, improvement, and/or additions to its facilities.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue and sell up to an additional 1,000,000 shares of its common stock, for aggregate authority of 1,200,000 shares, under its Customer Stock Purchase Plan, under the terms and conditions and for the purposes set forth in the application; and

2) That there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF940031
DECEMBER 8, 1994

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue common stock

ORDER GRANTING AUTHORITY

On November 16, 1994, Washington Gas Light Company ("WGL" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to (i) split its outstanding shares of common stock and (ii) increase the shares of common stock authorized by Commission Order dated July 28, 1994, in Case No. PUF940014. Applicant paid the requisite fee of $250.

Applicant proposes to issue and distribute one additional share of common stock for each share of common stock outstanding, in connection with a two-for-one stock split. To support its proposed stock split, Applicant intends to seek an amendment to its corporate charter in February of 1995 to increase the authorized number of common stock shares from 40 million to 80 million. Applicant represents that the purpose of the proposed stock split is to provide broader individual ownership and increased liquidity of its common stock.

On July 28, 1994, in Case No. PUF940014, the Commission issued an Order authorizing Applicant, among other things, to (i) issue and sell up to 2,250,000 shares of common stock in one or more public offerings; (ii) issue and sell up to 1,000,000 additional shares of common stock through its Dividend Reinvestment Plan (DRP) and other stock plans; and (iii) issue and sell up to 1,500,000 of common stock as provided under any conversion features of authorized debt and preferred stock securities. In conjunction with the proposed stock split, Applicant also seeks to increase the additional combined shares of common stock authorized in Case No. PUF940014 from 4,750,000 shares to 9,500,000 shares. Applicant represents that it intends to issue the 9,500,000 shares for the same purposes and in the same proportions as set out in its application in Case No. PUF940014.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to issue sufficient shares of common stock necessary to effect a two-for-one split of its common stock all in a manner, under the terms and conditions, and for the purposes as set forth in the application;

2) That Applicant's authority to issue up to 4,750,000 shares of common stock for the purposes set forth by Commission Order dated July 28, 1994, in Case No. PUF940014, is hereby amended to grant Applicant the authority to issue up to an additional 9,500,000 shares all in a manner, under the terms and conditions, and for the purposes set forth in the application;

3) That all other requirements and provisions of the July 28, 1994 Order shall remain in full force and effect;

4) That approval of the application shall have no implications for ratemaking purposes;

5) That on or before November 30, 1995, Applicant shall file a Report of Action showing actual expenses and fees paid to date for the proposed stock split, a copy of the amendment to its corporate charter to increase the authorized shares outstanding, and the most recent available account of the total number of shares outstanding; and

6) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940032
DECEMBER 8, 1994

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION RESOURCES, INC.

For authority to sell common stock

ORDER GRANTING AUTHORITY

On November 16, 1994, Virginia Electric and Power Company ("Applicant" or "Company") and Dominion Resources, Incorporated ("DRI") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to issue and sell in one or more transactions up to $75,000,000 in aggregate of the Company's common stock to DRI during the fourth quarter of 1994. Applicant has paid the requisite fee of $250.

The proceeds from the sale of the common stock will be used primarily to pay short-term indebtedness and otherwise to meet a portion of its capital requirements to include construction, upgrading and maintenance expenditures, and the refunding of outstanding securities.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is authorized to issue and sell up to $75,000,000 of common stock without par value to Dominion Resources, Inc. under the terms and conditions and for the purposes set forth in the application;

2) That the authority granted herein shall not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter;

3) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia;

4) That approval of the application has no implications for ratemaking purposes;

5) That Applicant shall submit a Preliminary Report of Action within ten (10) days of each issuance of common stock, to include the date of issuance, the number of shares sold, the purchase price per share, and the total amount of the proceeds;

6) The Applicant shall submit a Final Report of Action on or before February 28, 1995, to include the date(s) of issuance, the amount of the proceeds, the number of shares, the price per share, the use of the proceeds, a monthly breakdown of the total proceeds of DRI's stock purchase plans and the amounts received by each subsidiary, the issuance expenses allocated by DRI to each subsidiary in connection with the stock transactions, a description of where the funds are invested before being allocated, the total amount of interest income or investment income earned on the stock funds during the year, and a breakdown of the allocation of the investment income or interest income among any subsidiaries of DRI, and a balance sheet reflecting the actions taken; and

7) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF940033
DECEMBER 21, 1994

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 17, 1994, GTE South, Incorporated ("GTE South", "Applicant") filed two separate applications related to short- term borrowing authority. By letter dated November 29, 1994, Staff informed Applicant that both applications would be considered together in one case because they both involve short- term debt borrowing authority. Staff further notified Applicant that the $250 filing fee had not been submitted along with its application for short-term indebtedness. By letter dated November 29, 1994, Applicant paid the requisite filing fee of $250.

GTE South's application filed under Chapter 3 of Title 56 of the Code of Virginia requested authority to issue up to $285 million of short-term debt in the form of commercial paper through December 31, 1995. The amount of short-term debt proposed in this application is in excess of the five percent of capitalization as defined in § 56-65.1. GTE South's application filed under Chapter 4 of Title 56 of the Code of Virginia requested permanent authority to borrow and invest funds on a short-term basis through an intercompany financing agreement. By Commission Order dated December 17, 1993, in Case No. PUF930057, Applicant was granted authority to issue up to $225 million of short-term indebtedness, and to borrow and invest short-term funds with GTE Corporation through the period ending December 31, 1994.

Applicant states that the borrowings will be used to meet 1995 operational and capital expenditure requirements, reimburse its treasury for past expenditures related to on-going operations and construction programs, and retire maturing long-term debt. The interest rate on commercial paper issues will vary daily and depend on market conditions.

Applicant further seeks to continue indefinitely the affiliate borrowing and investment authority with GTE Corporation that was granted in Case No. PUF930057. In that case, Applicant received authority for the short-term borrowing and investment of funds directly with its parent company, GTE Corporation, under the terms of GTE Corporation's Financial Policy and Standard Practice. Applicant represents that while GTE South has a higher commercial paper rating than GTE Corporation, Applicant intends to constantly monitor the capital markets in order to avail itself of the most attractive rates it can find.

The Commission, upon consideration of the applications and having been advised by its Staff, is of the opinion and finds that GTE South's request to incur of up to $285 million short-term indebtedness will not be detrimental to the public interest. The authority for short-term indebtedness granted herein shall pertain to short-term borrowings through either commercial paper or affiliate borrowings, to the extent that any short-term affiliate borrowings bear equal or lower costs than available to GTE South for comparable non-affiliate borrowings. The Commission is of the further opinion and finds that the public interest would be better served by granting Applicant the authority for the short-term borrowing and investment of funds with GTE Corporation over a limited period of time. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to incur total short-term indebtedness in excess of five percent of capitalization in an aggregate amount not to exceed $285,000,000 at any one time from January 1, 1995, through December 31, 1995, for the purposes and under the terms and conditions as described by Applicant;

2) That Applicant is hereby authorized to borrow and invest funds on a short-term basis with GTE Corporation from January 1, 1995, through December 31, 1995, for the purposes and under the terms and conditions as described by Applicant;

3) That Applicant shall seek subsequent approval from the Commission if the terms and conditions of the affiliate agreement approved herein should change;

4) That approval of the application does not preclude the Commission from applying the provisions of Sections 56-78 and 56- 80 of the Code of Virginia hereafter;

5) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to Section 56-79 of the Code of Virginia;

6) That the authority granted herein shall have no implications for ratemaking purposes;

7) That on or before March 1, 1996, Applicant shall file a Final Report of the action taken pursuant to the authority granted herein, to include a schedule of the daily balance of all commercial paper borrowings and all affiliate short-term borrowings, repayments, and investments from January 1, 1995 through December 31, 1995, corresponding interest rates on all reported transactions, and a balance sheet and statement of cash flows for Applicant and GTE Corporation as of December 31, 1995; and

8) That this matter shall remain under the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUF940036
DECEMBER 20, 1994

APPLICATION OF
COMMONWEALTH GAS SERVICES, INC.
and
THE COLUMBIA GAS SYSTEM, INC.

For approval of intercompany financing for 1995

ORDER GRANTING AUTHORITY

On November 29, 1994, Commonwealth Gas Services, Inc. ("Applicant" or "Commonwealth") and The Columbia Gas System, Inc. ("System") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to enter into intercompany financing arrangements during 1995. 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 1995: 1) from time to time, to issue and sell, to System up to $26,000,000 of Common Stock; 2) to borrow up to an aggregate amount of $19,000,000 at any one time in short-term loans from the System and/or other affiliated companies through the Intrasystem Money Pool ("Money Pool"); and 3) to invest temporary excess funds, from time to time, in the Money Pool. The $19,000,000 of short-term debt is in excess of five percent of capitalization as defined in § 56-65.1.

Commonwealth proposes to issue and sell to System, from time to time, up to 520,000 shares of its common stock with a par value of $50. Total proceeds from the common stock issuance(s) will not exceed $26,000,000.

The proceeds from the sale of the Common Stock will be used to fund construction and to retire currently outstanding long-term debt which matures during 1995. Money Pool borrowings will be used to fund peak short-term requirements such as gas purchases and 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 above proposed financing will not be detrimental to the public interest. Accordingly,

IT IS ORDERED:

1) That Applicant is hereby authorized to:

   (a) issue and sell up to $26,000,000 in Common Stock to System;

   (b) borrow through the Money Pool from System and/or other affiliates in excess of five percent of capitalization up to an aggregate amount of $19,000,000; and

   (c) invest temporary excess funds in the Money Pool

from January 1, 1995 through December 31, 1995, all in the manner, under the terms and conditions, and for the purposes set forth in the application;

2) That Applicant shall account for all allocated fees associated with System's debtor-in-possession financing agreements such that administrative, commitment, structuring, and facility fees may be separately and individually discernible;

3) That approval of the application shall have no implications for ratemaking purposes;

4) That approval of the application shall not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter;

5) That the Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein;

6) That within 30 days of its issuance, Applicant shall file, with the Division of Economics and Finance, a copy of the Securities and Exchange Commission Order authorizing financing transactions between Columbia and its affiliates as outlined in paragraph 9 of the application;

7) That Applicant shall file quarterly reports within 60 days of the end of each calendar quarter following the date of this Order, to include:

   (a) monthly schedules of Money Pool borrowings, segmented according to System notes and notes issued to other affiliates;

   (b) monthly schedules that separately reflect interest expenses and each type of allocated fee;

   (c) monthly schedules of System's borrowings under its Letter of Credit Agreement; and

   (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;

8) That Applicant shall file a final report of action on or before February 28, 1996, to include data for the fourth quarter of 1995 as prescribed in ordering paragraph 66 herein; and

9) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

DIVISION OF RAILROAD REGULATION

CASE NO. RRR930003
FEBRUARY 23, 1994

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to close the Front Royal, Virginia agency and place Front Royal under the jurisdiction of the agency at Shenandoah, Virginia

FINAL ORDER

By application dated on November 11, 1993, Norfolk Southern Railway Company ("NS") requests authority to close its Front Royal, Virginia agency and transfer the agency work to its agency at Shenandoah, Virginia. Front Royal would become a non-agency station under the jurisdiction of Shenandoah. The non-agency stations currently under the jurisdiction of Front Royal would be transferred to Shenandoah also.

On December 1, 1993, the Commission issued an order requiring public notice of the application. The Commission permitted comments on the application and requests for hearing on or before January 14, 1994, but none were filed. It also directed the Division of Railroad Regulation to investigate the application.

As required by the Commission's order, the Division filed its investigation report on February 4, 1994. It found that the Shenandoah agency can absorb the work of Front Royal and that the transfer would result in an annual savings of $45,000 to NS. Train service would not be affected by approval of the application, and customers would be able to contact the Shenandoah agency by facsimile or toll free telephone to transact railroad business. The Division concluded that NS can continue to provide adequate and efficient service to the public if the application were granted.

Based on the Division's report, we conclude that the application should be granted; accordingly,

IT IS ORDERED:

(1) That NS is authorized to transfer the agency work now performed at Front Royal to its Shenandoah agency;

(2) That Front Royal may be transferred to non-agency status;

(3) That Front Royal and the non-agency stations at Vaughan, Bentonville, Rivco, Cedarville, White Post and Berryville, Virginia; Shenandoah Jct., Charles Town, and Shepherdstown, West Virginia; and Antietam, St. James and Hagerstown Maryland, may be transferred to the jurisdiction of the Shenandoah agency; and

(4) That, there being nothing further to come before the Commission, this case shall be closed and the papers placed in the Commission's files for ended causes

CASE NO. RRR940001
MAY 12, 1994

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to close the Fieldale, Virginia agency and to place Fieldale under the jurisdiction of the agency at Roanoke, Virginia

FINAL ORDER

By application filed on January 6, 1994, Norfolk Southern Railway Corporation ("NS") seeks authority to close its Fieldale freight agency, to transfer Fieldale to non-agency station status and to transfer jurisdiction over its stations at Fieldale, Henry, Bassett, Payne, Martinsville, Fontaine, Ridgeway, Hilltop, Jones Creek and Koehler, Virginia to its Roanoke, Virginia agency. In accordance with the Commission's "Order Requiring Notice of Application," dated January 13, 1994, the Division of Railroad Regulation investigated the matter and filed a report on April 29, 1994. The Commission's order invited public comments and any requests for hearing to be filed by March 17, 1994. Several comments have been filed, but there are no pending requests for hearing.

The Division's report finds that the work of the Fieldale agency can be absorbed by the Roanoke agency at an annual savings of $50,000 to NS. The result would be a change in the location at which paperwork is performed, but there should be no effect on train service. The Division concluded that NS can continue to provide adequate and efficient service to the public if the application were granted.

Upon consideration of the record herein, we find that the application should be granted; accordingly,

IT IS ORDERED:

(1) That NS is authorized to close its Fieldale freight agency and to transfer the Fieldale station to non-agency station status;

(2) That NS is authorized to transfer jurisdiction over its stations at Fieldale, Henry, Bassett, Payne, Martinsville, Fontaine, Ridgeway, Hilltop, Jones Creek and Koehler, Virginia, to its agency at Roanoke, Virginia; and

(3) That, there being nothing further to come before the Commission in this proceeding, Case No. RRR940001 be closed and the papers therein placed in the Commission's files for ended causes.

CASE NO. RRR940002
JULY 28, 1994

APPLICATION OF
CSX TRANSPORTATION, INC.

For authority to consolidate existing agency service at Richmond, Virginia, into its Customer Service Center at Jacksonville, Florida

FINAL ORDER

By application dated December 14, 1993, CSX Transportation, Inc. ("CSX") requested authority to consolidate its Richmond, Virginia agency, including the mobile agency service operated from Richmond, into its Customer Service Center at Jacksonville, Florida. Jurisdiction over the non-agency stations administered by Richmond would also be transferred to Jacksonville. These non-agency stations are: Alexandria, Amoco, Ampthill, Atlee, Badische, Barnes, Bear Island, Beaver Dam, Bellbluff, Bellwood, Bremo, Bryan Park, Bush Hill, Byrd, Centralia, Charlottesville, Chester, Columbia, Crozet, Dahlgren Jct., Doswell, Duke, Dumbarton, Ellerson, Ellett (Hanover Cty.), Falling Creek, Farmington, Featherstone, Fishersville, Franconia, Frederick Hall, Fredericksburg, Fulton, Gordonsville, Greendale (Henrico Cty.), Guinea, Hewlett, Irwin, James, Keswick, Korah, Langford, Laurel (Henrico Cty.), Lee Hall, Lightfoot, Lorton, Louisa, Luck, Madison Run, Magruder, Maidens, Marlboro, Massaponax, Mechum's River, Milford, Mountcastle, Nance, Newington, North Doswell, Orange, Parliament, Pendleton, Penniman, Peyton, Possum Point, Providence Forge, Quantico, Roxbury, Ruffin (Henrico Cty.), Sabot, Scottsville, Sealston, Shadwell, South Orange, South Richmond, South Washington, State Farm, Staunton, Strathmore, Toano, Trevilian, Verdon, Waterloo, Waynesboro, Williamsburg, Wingina, and Woodbridge.

CSX completed its application with additional information submitted by letter dated January 11, 1994. By order of January 25, 1994, the Commission permitted public comment on the application and invited requests for hearing by April 29, 1994. It also directed the Division of Railroad Regulation ("Division") to investigate the matter and file a report by July 1, 1994.

In the course of its investigation, the Division interviewed a number of railroad customers. Several customers made complaints about train service and CSX operations, which are not issues in this proceeding. However, the Division has pursued those matters separately, and we direct that it continue to try to resolve them. The Division is instructed to report the results of its efforts in this regard to the Commission.

No requests for hearing were received in this case, and the Division's investigation report was filed on July 1, 1994 as scheduled. The Division found that the Jacksonville Customer Service Center can absorb the work of the Richmond Agency without causing any reduction in the quality of CSX agency service. CSX would save approximately $45,000 annually by virtue of the change. The Division concludes that CSX could maintain adequate and efficient service to the public if the application were granted.

We note that customers expressed concern about poor response time for return telephone calls from CSX. Because most agency business is now conducted by telephone, computer and facsimile transmissions, response times over these media are important indications of the adequacy of CSX agency service. Railroad customers have been asked to notify the Division of any service problems they encounter. We direct the Division to report any problems with CSX agency service to the Commission.

Based on the Division's investigation report and the record herein, we find that the application should be granted; accordingly,

IT IS ORDERED:

(1) That CSX is authorized to transfer its Richmond, Virginia agency service to its Jacksonville, Florida Customer Service Center;

(2) That CSX is authorized to transfer jurisdiction over the non-agency stations currently administered by the Richmond agency to the Jacksonville Customer Service Center; and

(3) That, there being nothing further to come before the Commission, this Case No. RRR940002 is closed and that the papers therein be placed in the Commission's files for ended causes.

CASE NO. RRR940003
SEPTEMBER 22, 1994

APPLICATION OF
NORFOLK SOUTHERN RAILWAY COMPANY

For authority to abolish Mobile Agency Route NW-VA-7, based at South Boston, Virginia and transfer agency duties to the base agent at South Boston, Virginia

FINAL ORDER

By application, the Norfolk Southern Railway Company ("NS") seeks authority to abolish its Mobile Agency Route NW-VA-7, based at South Boston, Virginia. NS also requests reclassification of the stations served by Mobile Agency Route NW-VA-7 (namely: Gladys, Naruna, Wesco, Brookneal, Vabrook, Clarkton, Nathalie, Altavista, Abilene, Aspen, Long Island, Mansion, Ross, Leesville, Huddleston and Stone Mountain) to non-agency status under the jurisdiction of the NS base agency at South Boston. On May 5, 1994, by order, the Commission required NS to give public notice of its proposals and invited public comment and requests for hearing on the application.

The Commission required any public comments and requests for hearing to be filed by July 15, 1994. No requests for hearing were made, and this matter is now ripe for Commission decision.

As required by the Commission's May 5 order, the Division of Railroad Regulation investigated the matter and filed its report on September 16, 1994. The Division found that the duties of Mobile Agency NW-VA-7 could be absorbed by the NS base agency at South Boston, Virginia without adverse impact on customer service. In addition, NS could be expected to save approximately $50,655 annually if the application were granted. The Division concluded that NS can continue to provide adequate and efficient service to the public if Mobile Agency NW-VA-7 is abolished and its duties absorbed by the NS base agency at South Boston. We agree; accordingly,

IT IS ORDERED:

(1) That NS is authorized to abolish its Mobile Agency NW-VA-7 and to transfer the duties of the mobile agency to the NW base agency at South Boston, Virginia;

(2) That, NS is authorized to transfer the stations currently served by the mobile agency to non-agency station status under the jurisdiction of the NS base agency at South Boston; and

(3) That, there being nothing further to come before the Commission, this Case No. RRR940003 shall be closed and the papers therein placed in the Commission's files for ended causes.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NOS. SEC910125 and SEC910126
MAY 10, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIDELITY ASSOCIATES OF RICHMOND, INC.
and
AULDIS EDWARD WRIGHT,
Defendants

FINAL ORDER

On December 18, 1992, the Commission entered in these cases an order and judgment setting forth its findings and conclusions as well as its sanctions against Defendant Auldis Edward Wright. Among other things, the Commission (i) required Wright within four and a half months from the date of the order to offer rescission to the persons to whom he allegedly offered and sold securities in violation of the Securities Act and to make restitution to those who accepted the offer; (ii) penalized Wright in the amount of $5,000; and, (iii) retained jurisdiction in these matters. In response to Wright's assertion in February 1993 that he was financially unable to make restitution, the Staff of the Commission offered to withhold seeking further legal action for the ensuing twelve months so Wright would have additional time to raise the necessary funds. During this period of time Wright periodically reported to the Staff the status of his financial condition, which ostensibly did not improve.

The Commission, upon the advice of the Staff that it has no reasonable basis to expect Wright's financial situation to improve in the foreseeable future and its recommendation that these matters now be terminated, is of the opinion and finds that these cases should be concluded. It is, therefore,

ORDERED:

(1) That the injunctive, prohibitory, mandatory and penalty provisions set forth in the orders entered herein on August 16, 1991, and December 18, 1992, remain in full force and effect; and

(2) That these matters be, and they hereby are, dismissed from the docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC920111
MAY 16, 1994

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

ORDER OF SETTLEMENT

The State Corporation Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, National Securities Corporation ("National"), pursuant to § 13.1-518 of the Code of Virginia.

As a result of its investigation concluded December 11, 1992, the Division alleges (i) that Defendant, in violation of § 13.1-504 A of the Virginia Code, transacted business in the Commonwealth of Virginia as a broker-dealer without being so registered by executing securities transactions involving shares of Goldera Resources Incorporated and Rio Sierra Silver Corporation on behalf of Virginia residents; (ii) that Defendant, in violation of § 13.1-504 B of the Virginia Code, employed an unregistered agent, to wit: James Donald Gordon McColl; and, (iii) that Defendant, in violation of § 13.1-507 of the Virginia Code, sold unregistered, nonexempted securities, to wit: shares of Goldera Resources Incorporated and Rio Sierra Silver Corporation. Defendant neither admits nor denies the Division's 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 the following:

(A) Defendant, pursuant to § 13.1-521 of the Code of Virginia, will pay a penalty to the Commonwealth in the amount of twenty-five thousand dollars ($25,000.00), which will be tendered contemporaneously with the entry of this order; and,

(B) Defendant, pursuant to § 13.1-518 of the Code of Virginia, will pay to the Commission the sum of one thousand dollars ($1,000.00) as reimbursement for the costs of the Division's investigation.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, Defendant's offer of settlement is accepted;

(2) That Defendant fully comply with the aforesaid terms of the settlement;

(3) That pursuant to Virginia Code § 13.1-521, Defendant pay a penalty to the Commonwealth in the amount of twenty-five thousand dollars ($25,000.00) and the Commonwealth recover of and from Defendant said amount;

(4) That pursuant to Virginia Code § 13.1-518, Defendant pay to the Commission the amount of one thousand dollars ($1,000.00) for the cost of the Division's investigation;

(5) That the sum of twenty-six thousand dollars ($26,000.00) tendered by Defendant contemporaneously with the entry of this order is accepted; and,

(6) 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. SEC930014
FEBRUARY 3, 1994

PETITION OF
SHANNON AKIRA HAYASHI,
Petitioner

ORDER

This matter is before the Commission upon the petition of Shannon Akira Hayashi and subsequent pleadings filed by the Commission's Staff and Hayashi. By order entered herein on October 28, 1993, Hayashi was afforded an opportunity to have the permanent injunction entered against him in Case No. SEC890088 dissolved and the amount of the penalty previously imposed against him reduced if he offered to rescind the several unlawful securities sales identified in the October 28 order and made restitution to the purchaser. Petitioner notified the Commission of his intention to offer rescission and to make restitution. Subsequently, he submitted a copy of a document captioned "Rescission Agreement and Release" dated January 5, 1994, executed by Hayashi and the purchaser, to which was attached Hayashi's Promissory Note payable to the purchaser, dated December 30, 1993. According to the terms of these documents, the securities sales have been rescinded, Hayashi is prepared to begin making restitution by paying the purchaser $5,000 promptly after entry of this order, and restitution will be completed by monthly payments for approximately 43 months, beginning in February 1994. In addition, Hayashi has tendered to the Commonwealth the sum of $2,000 in compromise and settlement of the penalty imposed on him by the Commission's order of January 22, 1990, entered in Case No. SEC890088.

Upon review of this matter, the Commission is of the opinion and finds that the permanent injunction against Hayashi should be lifted so long as he complies with the terms of the aforesaid Rescission Agreement and Release and Promissory Note and that $2,000 should be accepted in compromise and settlement of the aforesaid penalty. Accordingly, it is

ORDERED:

(1) That the copy of the Rescission Agreement and Release and the Promissory Note be filed in this case;

(2) That the permanent injunction issued against Hayashi by order dated January 22, 1990, entered in Case No. SEC890088 be, and it hereby is, dissolved upon the condition that Hayashi comply with the terms of the Rescission Agreement and Release and the Promissory Note;

(3) That within fourteen (14) days from the date restitution is completed, Hayashi file with the Commission an affidavit stating that full restitution has been made and the date thereof;

(4) That if the Commission finds that Hayashi is in default in respect of any material provision of the Rescission Agreement and Release or the Promissory Note, the permanent injunction shall be reinstated summarily;

(5) That the sum of $2,000 tendered contemporaneously with the entry of this order be, and it hereby is, accepted in full settlement and satisfaction of the penalty in the amount of $40,000 imposed by order dated January 22, 1990, Case No. SEC890088; and

(6) That the Commission shall retain jurisdiction in this matter for all purposes, including reinstating the permanent injunction, if warranted.

CASE NO. SEC930042
JUNE 14, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

v.

CAMDEN CAPITAL, INC., d/b/a THE CAMDEN GROUP (formerly known as North Bay Associates, Inc.),
Defendant

ORDER AND JUDGMENT

On March 31, 1994, the Commission issued a Rule to Show Cause against the Defendant, Camden Capital, Inc., d/b/a The Camden Group ("Camden Capital"), which, among other things, scheduled this case for hearing on June 1, 1994. On May 10, 1994, an unexecuted document entitled "Responsive Pleading" was received by the Commission. It stated that the Defendant received the Rule to Show Cause and responded to some of the allegations contained in the Rule. The Defendant did not appear at the hearing conducted on June 1, 1994.

The Commission, based on the pleadings and Staff counsel's oral summary of the alleged violations made at the hearing, is of the opinion and finds:

1. The Defendant failed to file a responsive pleading as required by the Rule and failed to appear at the hearing; consequently, it is in default.

2. In May 1990, December 1990 and June 1991, Kenneth E. George, Timothy H. Tanner and John Stanford, acting as agents of Camden Capital, offered and sold to two Virginia residents units in two oil and gas limited partnerships -- Energy Partners 1990 L.P. and Austin Chalk Energy Partners L.P. -- in three separate transactions.

3. One Virginia purchaser invested a total of $11,900 in Energy Partners 1990 L.P.; the other Virginia purchaser invested $7,000 in Austin Chalk Energy Partners L.P.

4. The limited partnership units constitute investment contracts, which are securities as defined in the Securities Act, Va. Code § 13.1-501 et seq.

5. Camden Capital violated the provisions of the Order Accepting Offer of Settlement entered in this case on June 21, 1993, by failing to abide by its agreement to make restitution to the two Virginia purchasers.

6. During the period in which the aforesaid securities transactions occurred:

   a. Camden Capital was not registered under the Securities Act as a broker-dealer.

   b. George, Tanner and Stanford were not registered under the Securities Act as agents of Camden Capital.

   c. The securities offered and sold by Camden Capital were not registered under the securities registration provisions of the Securities Act.

7. The activities described above constitute seven violations of the Securities Act by the Defendant, to wit:

   a. Transacting business in Virginia as an unregistered broker-dealer (§ 13.1-504 A).

   b. Employing three unregistered agents (§ 13.1-504 B).

   c. Offering and selling unregistered securities in three separate transactions (§ 13.1-507).

8. On account of its violations of the Securities Act, Camden Capital should be penalized and enjoined as set forth below.

9. Based on the circumstances of this case, the Commission will not impose a penalty upon the Defendant for violating the provisions of the settlement order in addition to the penalty imposed herein for the statutory violations leading up to the settlement.

It is, therefore,

ORDERED and ADJUDGED:

(1) That, pursuant to Va. Code § 13.1-519, Camden Capital, Inc. be, and it hereby is, permanently enjoined from (a) transacting business in the 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 or selling any security in violation Va. Code § 13.1-507;

(2) That, pursuant to Va. Code § 13.1-521, Camden Capital, Inc. be, and it hereby is, penalized in the amount of $35,000 and that the Commonwealth recover of and from it said sum, with interest thereon at the rate of 9% per year until paid; provided, that the entire amount of the penalty and interest is suspended and will be forgiven if Camden Capital within 120 days from the date of this order refunds, in accordance with the provisions of Va. Code § 13.1-522 D, the consideration paid by the Virginia purchasers, or otherwise settles with them;

(3) That within 125 days from the date of this order, the Defendant shall notify the Commission in writing whether or not the refunds have been made; and,

(4) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC930042
NOVEMBER 22, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CAMDEN CAPITAL, INC., d/b/a THE CAMDEN GROUP (formerly known as North Bay Associates, Inc.),
Defendant

FINAL ORDER

On June 14, 1994, the Commission entered in this case an Order and Judgment that set forth findings and sanctions against the Defendant, Camden Capital, Inc. Among the sanctions imposed by the Commission, Camden Capital, Inc. was penalized in the amount of $35,000, 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 it sold securities in violation of the Securities Act. The Defendant was directed to notify the Commission in writing within 125 days from the date of the Order and Judgment (i.e., on or about October 17, 1994) whether restitution had been made. 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) the purchasers have not been contacted by 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 $35,000 entered herein against Camden Capital, Inc. by Order and Judgment of June 14, 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 June 14, 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. SEC930086
FEBRUARY 17, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BRUCE E. KIRCHOFF,
Defendant

FINAL ORDER

On December 17, 1993, the Commission entered in this case an Order and Judgment setting forth its factual findings, legal conclusions, and sanctions against the Defendant, Bruce E. Kirchoff. Among other sanctions, Kirchoff was penalized a second, additional amount of $70,000, provided that this penalty would be forgiven if, in accordance with the provisions in the Order and Judgment, he made restitution to or otherwise settled with the several persons to whom he unlawfully sold securities. Kirchoff was directed to notify in writing the Commission within 45 days from the date of the Order and Judgment (i.e., on or about February 1, 1994) of whether an agreement regarding restitution or settlement had been reached. The Commission retained jurisdiction in this matter for all purposes.

The Commission has been advised by its Staff that, as of the date hereof, the Defendant has not submitted notification concerning restitution or settlement. The failure to notify the Commission indicates that Kirchoff intends not to attempt to repay the purchasers. This conclusion is further supported by the fact that the Staff recently telephoned each of the purchasers and was informed that none had been contacted by Kirchoff since the entry of the Order and Judgment in December 1993.

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 additional penalty amount of $70,000, and that this case should be concluded. It is, therefore,

ORDERED AND ADJUDGED:

(1) That the penalty in the amount of $70,000 entered herein against the Defendant by Order and Judgment of December 17, 1993, be, and it hereby is, declared due in full and that the Commonwealth recover of and from Kirchoff said sum, with interest thereon at the rate of 9% per year from December 17, 1993, until paid;

(2) That the provisions in the aforesaid Order and Judgment pertaining to the permanent injunction and the penalty in the amount of $5,000 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 NOS. SEC930091 and SEC940002
JANUARY 27, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MID STATES GENERAL, INC.
and
JOHN E. BLACK,
Defendants

ORDER AND JUDGMENT

THIS MATTER, instituted by Rule To Show Cause entered on September 3, 1993, came on for hearing, as scheduled, on November 9, 1993, before Hearing Examiner Deborah V. Ellenberg. The Defendants' request for an extension of time to file a responsive pleading was granted; however, neither of them filed a pleading in response to the Rule to Show Cause, and neither appeared in person or by counsel at the hearing. The Division of Securities and Retail Franchising was represented by its counsel.

The evidence in support of the allegations set forth in the Rule was presented by a single Staff witness. At the conclusion of the hearing, the Hearing Examiner made the following findings and recommendations from the bench:

1. The Defendants are in default.

2. The allegations contained in the Rule To Show Cause were established by the evidence.

3. The Defendants should be permanently enjoined from future violations of the Securities Act of the Commonwealth.

4. The Defendants should be penalized the maximum amount authorized by the Securities Act, provided, that they should be requested to rescind the illegal securities sales and to make restitution and, if they comply with the request, the amount of the penalty should be reduced by the amount paid to the purchasers.

THE COMMISSION is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be accepted and implemented as modified below. It is, therefore,

ORDERED AND ADJUDGED:

(1) That, pursuant to Va. Code § 13.1-519, Mid States General, Inc. and John E. Black be, and each hereby is, permanently enjoined from (a) offering or selling any security in violation of Va. Code § 13.1-502, (b) transacting business in this Commonwealth in violation of Va. Code § 13.1-504, or (c) offering or selling any security in violation of Va. Code § 13.1-507;

(2) That pursuant to Va. Code § 13.1-521 Mid States General, Inc. be, and it hereby is, penalized in the amount of $5,000 and John E. Black be, and he hereby is, penalized in the amount of $1,000, and that the Commonwealth recover of and from the Defendants said sums, with interest thereon at the rate of 9% per year until paid;

(3) That Mid States General, Inc. be, and it hereby is, penalized pursuant to Va. Code § 13.1-521 in the additional amount of $200,000, and that John E. Black be, and he hereby is, penalized pursuant to Va. Code § 13.1-521 in the additional amount of $14,000, and that the Commonwealth recover of and from the Defendants said sums, with interest thereon at the rate of 9% per year until paid, provided that the collection of the sums in this paragraph is suspended, and the judgments in this paragraph shall be forgiven, if the Defendants comply fully with the provisions of paragraphs (4) through (6) below;

(4) That, pursuant to Va. Code § 13.1-521 C, the Defendants are requested to rescind the 41 illegal securities sales and either to make restitution to, or otherwise settle with, the purchasers in connection with the illegal sales, within ninety (90) days from the date of this order;

(5) That within forty-five (45) days from the date of this order, the Defendants notify in writing the Commission of whether an agreement regarding the aforesaid rescission and restitution or settlement has been made, and the details thereof;

(6) That if an agreement is made, the Defendants submit periodically to the Division of Securities and Retail Franchising written reports describing the progress of the restitution/settlement and promptly after complying fully with the provisions of the agreement, submit to the Division an affidavit which describes the particulars thereof;

(7) That if the Commission finds that the Defendants are in default in respect of any material provision of the restitution/settlement agreement, the suspension and forgiveness of the judgments set forth in paragraph (3), above, shall be automatically revoked and the penalties, with interest, set forth therein shall be immediately due and payable in full; and,

(8) That the Commission shall retain jurisdiction in this matter for all purposes.

CASE NOS. SEC930091 and SEC940002
APRIL 5, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MID STATES GENERAL, INC.
and
JOHN E. BLACK,
Defendants

FINAL ORDER

On January 27, 1994, the Commission entered in this case an Order and Judgment that modified and accepted the findings and recommendations of the Hearing Examiner and set forth sanctions against the Defendants, Mid States General, Inc. and John E. Black. Among the sanctions imposed by the Commission, Mid States General, Inc. was penalized a second, additional amount of $200,000 and John E. Black was penalized a second, additional amount of $14,000, provided that these penalties would be forgiven if, in accordance with the provisions in the Order and Judgment, the Defendants made restitution to or otherwise settled with the persons to whom they sold securities in violation of the Securities Act. The Defendants were directed to notify the Commission in writing within 45 days from the date of the Order and Judgment (i.e., on or about March 14, 1994) of whether an agreement regarding restitution or settlement had been reached. The Commission retained jurisdiction in this matter for all purposes.

The Commission has been advised by its Staff that, as of the date hereof, the Defendants have not submitted notification concerning restitution or settlement. The failure to notify the Commission indicates that the Defendants intend not to attempt to repay the purchasers.

In view of the foregoing, the Commission is of the opinion and finds that the Defendants have failed to comply with the provisions of the prior order regarding forgiveness of the additional penalty amounts of $200,000 and $14,000, and that this case should be concluded. It is, therefore,

ORDERED AND ADJUDGED:

(1) That the penalty in the amount of $200,000 entered herein against Mid States General, Inc. and the penalty in the amount of $14,000 entered herein against John E. Black by Order and Judgment of January 27, 1994, be, and they are, declared due in full and that the Commonwealth recover of and from each Defendant, respectively, said sum, with interest thereon at the rate of 9% per year from January 27, 1994, until paid;

(2) That the provisions in the aforesaid Order and Judgment pertaining to the permanent injunction, the penalty against Mid States General Inc. in the amount of $5,000 and the penalty against John E. Black in the amount of $1,000 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 NOS. SEC930113 and SEC930114
MARCH 7, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
INVESTEX PETROLEUM, INC.,
COASTAL ENERGY, INC.,
DOUGLAS ASHWORTH, ET ALS.,
Defendants

FINAL JUDGMENT AND ORDER

These cases came or for hearing before the Commission on March 2, 1994, as to defendant Douglas Ashworth ("Ashworth"), upon the Rules To Show Cause issued on November 4, 1993 and the original Answer and Affirmative Defenses filed by Ashworth pro se on February 3, 1994, in Case No. SEC930114. Ashworth failed to appear at the hearing in person or by counsel, and the Commission proceeded to hear the testimony of witnesses and receive documents in evidence.

The Commission, based upon the pleadings and evidence in these cases, is of the opinion and finds:

1. During 1987 Ashworth, acting as an agent of Investex Petroleum, Inc. and Coastal Energy, Inc., offered and sold to a Virginia resident named Dan Burkhead ("Burkhead") fractional interests in certain oil and gas drilling ventures in three separate transactions.

2. Said fractional interests constitute "securities" within the meaning of that term as defined in the Virginia Securities Act ("the Act"), Virginia Code §§ 13.1-501 et. seq.

3. Ashworth was not registered as an agent under the agent registration provisions of the Act.

4. The securities so offered and sold by Ashworth were not registered under the securities registration provisions of the Act.

5. That the activities of Ashworth constitute 3 violations of § 13.1-504 of the Act and 3 violations of § 13.1-507 of the Act.

6. That the defenses asserted by Ashworth in his responsive pleading are without merit, and

7. That Ashworth should be penalized and enjoined as set forth below.

It is, therefore,

ORDERED and ADJUDGED:

(1) That, pursuant to Virginia Code § 13.1-519, Douglas Ashworth is hereby permanently enjoined from (a) transacting business in this Commonwealth as an agent in violation of Virginia Code § 13.1-504, or (b) offering or selling any security in violation of Virginia Code § 13.1-507;

(2) That Douglas Ashworth is hereby penalized pursuant to Virginia Code § 13.1-521 in the amount of $12,000 and that the Commonwealth recover of and from him said sum, with interest thereon at the rate of 9% per year until paid; provided that $11,500 of said penalty and interest is suspended and will be remitted upon the condition that Ashworth shall have paid by October 31, 1994, restitution in the sum of at least $6000 to or for the benefit of Burkhead. If Ashworth shall not fulfill this condition by October 31, 1994, then the full $12,000 penalty with interest shall become immediately due and payable upon November 1, 1994, without further order of the Commission; and

(3) That the papers in these cases shall be placed among the ended causes.

CASE NOS. SEC930113 and SEC930114
DECEMBER 8, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
INVESTEX PETROLEUM, INC.
COASTAL ENERGY, INC.
DOUGLAS ASHWORTH, ET ALS.,
Defendants

JUDGMENT AND ORDER

On March 7, 1994, the Commission entered an order in these cases against Defendant Douglas Ashworth, which order contained findings and imposed sanctions against said Defendant including a $12,000.00 penalty. That order provided that $11,500.00 of the penalty was suspended and would be remitted if Ashworth made restitution in the amount of $6,000.000 to Dan Burkhead, an investor, by October 31, 1994. The Staff has reported to the Commission that Ashworth failed to make such restitution. It is therefore,

ORDERED AND ADJUDGED:

(1) That the $12,000.00 penalty imposed herein by order dated March 7, 1994 is hereby declared due in full, and that the Commonwealth recover said sum from Defendant Douglas Ashworth with interest thereon at the rate of 9% per year from March 7, 1994 until paid;

(2) That the injunctive provisions contained in said prior order shall remain in full force and effect; and

(3) That these cases are hereby dismissed from the docket, and the papers herein be placed in the file for ended causes.

CASE NOS. SEC930120, SEC930119, and SEC930121
DECEMBER 6, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
G.P. GLOBAL PARTNERS, INC.,
GCR GLOBAL CAPITAL RESOURCES, INC.,
and
ROBERT ISRAEL MOSES,
Defendants

ORDER AND JUDGMENT

A Rule to Show Cause was issued against each of the Defendants, G.P. Global Partners, Inc., GCR Global Capital Resources, Inc. and Robert Israel Moses, on September 26, 1994, which, among other things, scheduled these cases to be heard on December 1, 1994. 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 at the hearing by its counsel.

The Commission, based on the pleadings and evidence of service of process, 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. All of the Defendants violated the provisions of the Order Accepting Offer of Settlement entered herein on December 17, 1993, by failing (i) to make the offer of rescission and (ii) to make restitution in accordance with the order.

4. In August 1994, Defendant Moses transacted business in the Commonwealth as an unregistered securities agent, an action which violated the provisions of the Order Accepting Offer of Settlement prohibiting such conduct.

5. The Defendants should be penalized on account of having violated the aforesaid order.

It is, therefore,

ORDERED and ADJUDGED:

(1) That, pursuant to Va. Code § 13.1-521,

(a) G.P. Global Partners, Inc. and GCR Global Capital Resources, Inc. each be, and hereby is, penalized in the amount of $5,000 and that the Commonwealth recover of and from each Defendant said sum, with interest thereon at the rate of 9% per year until paid; provided, that $4,500 of the penalty amount is suspended and will be forgiven if there is compliance with the terms of paragraph (2), below; and,

(b) Robert Israel Moses be, and he hereby is, penalized in the amount of $10,000 and that the Commonwealth recover of and from the Defendant said sum, with interest thereon at the rate of 9% per year until paid; provided, that $9,000 of the penalty amount is suspended and will be forgiven if there is compliance with the provisions of paragraph (2), below;

(2) That the penalty amounts are suspended and will be forgiven as specified above if, within 120 days from the date of this order,

(a) Rescission and restitution in accordance with the provisions of the Order Accepting Offer of Settlement previously entered herein are made, or a settlement with each of the Virginia investors is otherwise made; and,

(b) Evidence of such restitution or settlements in the form of a release or other instrument in writing signed by each Virginia investor is filed in these cases; and,

(3) That the Commission shall retain jurisdiction in these matters for all purposes.

CASE NO. SEC930124
JUNE 27, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SOBRAL & ASSOCIATES, INC.
and
ANTONIO ALVAREZ SOBRAL, JR., a/k/a ANTONIO SOBRAL and TONY SOBRAL,
Defendants

INTERIM ORDER

On June 20, 1994, this case came on for hearing before the Commission. The Staff and defendant Sobral & Associates, Inc., were represented by counsel, and defendant Antonio Alvarez Sobral, Jr. ("Sobral") appeared pro se. Counsel for the Staff presented to the Commission a document styled "Stipulation By Defendant Antonio Alvarez Sobral, Jr." ("the Stipulation") signed by Sobral and dated June 20, 1994, and counsel for the Staff moved that the Stipulation be received in evidence in lieu of the testimony of witnesses. The Commission read and considered the Stipulation, and upon the representation of Sobral that he had read, signed, and dated the Stipulation and that he understood its contents, and counsel for the corporate defendant having stated that he had no objection to admission of the Stipulation in evidence, the Stipulation was so admitted. Counsel for the Staff then moved the Commission that the case be continued to June 21, 1994, and that the record be held open for filing of the Restitution Schedule referred to in the Stipulation and further moved that the corporate defendant be dismissed as a party and, there being no objection by any party, the case was carried over to the next day, and the corporate defendant was dismissed as a party. The Restitution Schedule was duly filed with the Clerk on June 21, 1994, and received in evidence in the case.

IT APPEARING from the Stipulation that Sobral has made an offer of settlement in relation to his refusal to comply with Subpoenas for Production of Documents issued and served upon him and his liability for costs of investigation of this case, and

IT FURTHER APPEARING that the Division of Securities and Retail Franchising has recommended that the Commission accept said offer of settlement,

IT IS ORDERED:

(1) That the offer of Sobral in settlement of the said matters is accepted;

(2) That Sobral shall pay to the Commonwealth, on or before July 5, 1994, the sum of ten thousand dollars ($10,000) for his failure to comply with Subpoenas for the Production of Documents, and the further sum of nine thousand five hundred forty-six dollars and ninety-seven cents ($9,546.97) for costs of investigation of this case; and

(3) That this case is continued pending further order of the Commission.

CASE NO. SEC930124
JULY 29, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ANTONIO ALVAREZ SOBRAL, JR., d/b/a ANTONIO SOBRAL and TONY SOBRAL,
Defendant

JUDGMENT AND CONTINUANCE ORDER

On June 20, 1994, this case came on for hearing before the Commission. The Staff was represented by counsel, Defendant Antonio Alvarez Sobral, Jr. ("Sobral") appeared pro se, and Defendant Sobral & Associates, Inc. was dismissed as a party to the case. The Commission received in evidence a document styled "Stipulation By Defendant Antonio Alvarez Sobral, Jr." ("the Stipulation") in which Sobral admitted substantially all the material allegations contained in the Rule to Show Cause issued in this case, undertook to make restitution to certain unreimbursed investors named therein of the funds received from them, and agreed to the entry of this Order. On June 23, 1994, Sobral filed a Restitution Schedule setting forth the amounts and dates of restitutionary payments he would make to the unreimbursed investors. On June 27, 1994, the Commission entered an Interim Order in this case whereby, as also agreed by Sobral in the Stipulation, he was ordered to pay a penalty in the sum of $10,000 for his failure to comply with Subpoenas for Production of Documents served upon him, and to pay the further sum of $9,546.97 for costs of investigation of this case. The Staff has advised the Commission that Sobral has paid the sums required by the Interim Order. Upon consideration of the foregoing and the pleadings and Stipulation in this case, the Commission is of the opinion and finds:

1. During 1986 and thereafter, Sobral offered and sold investment contracts in Virginia in several transactions with certain Virginia residents.

2. In offering and selling said investment contracts, Sobral received funds in trust and undertook to manage, invest, and reinvest such funds in a common pool in order to generate income or profit solely through his own efforts.

3. During part of the time he was offering and selling said investment contracts, Sobral was simultaneously employed as an agent of one of two securities broker/dealers registered under the Virginia Securities Act ("the Act"), Virginia Code §§ 13.1-501, et seq.

4. Sobral was never registered as an agent under the Act with respect to the offer and sale of said investment contracts.

5. Said investment contracts were never registered under the securities registration provisions of the Act.

6. In connection with his offer and sale of said investment contracts, Sobral obtained funds from investors by misrepresenting various material facts and failing to disclose certain material facts including, but not limited to, the following:

a. Misrepresenting that funds provided would be pooled;

b. Misrepresenting that funds provided would be used for investment purposes;

c. Misrepresenting that funds provided would be used to produce a profit;

d. Misrepresenting that funds provided would produce, and were producing, eighteen (18) percent profits;

e. Failing to disclose that he filed voluntary bankruptcy proceedings in 1983; and

f. Failing to disclose that funds supplied by prior investors had not been repaid.

7. The said investment contracts constitute "securities" within the definition of that term in the Act.

8. That the aforesaid activities of Sobral constitute at least one hundred twenty-one (121) violations of the provisions of §§ 13.1-502, 13.1-504(A) and (B), and 13.1-507 of the Act.

9. That Sobral has offered to make restitution over a period of time to the unreimbursed investors named in the Stipulation pursuant to §§ 13.1-521 and 13.1-522 of the Act.

10. That Sobral should be penalized and enjoined as set forth below. It is, therefore,

ORDERED AND ADJUDGED:

(1) That, pursuant to § 13.1-519 of the Act, Sobral is hereby (a) permanently enjoined from the commission of like violations of the provisions of the Act in future, (b) permanently barred from registration in any capacity under the Act, and (c) permanently barred from ownership of a five (5) percent or greater interest in any firm or company registered in any capacity under the Act;

(2) That Sobral is hereby penalized pursuant to Virginia Code § 13.1-521 in the amount of six hundred five thousand dollars ($605,000) and that the Commonwealth recover of and from him said sum, with interest thereon at the rate of nine percent per year until paid; provided that said penalty and interest are suspended and will be remitted upon the condition that Sobral shall make the restitutionary payments set forth in the aforesaid Stipulation and Restitution Schedule. If Sobral shall fail to make any payment set forth in said Stipulation and Restitution Schedule, then the full amount owed to the investors named therein shall become immediately due and payable, and the full penalty and interest herein imposed shall become immediately due and payable by Commission order entered without further hearing; and

(3) That this case is continued pending further order of the Commission.

CASE NO. SEC940003
JANUARY 13, 1994

APPLICATION OF
CATTAIL CREEK COUNTRY CLUB, INC.

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated November 17, 1993, with exhibits attached thereto, as subsequently amended, of Cattail Creek Country Club, Inc. ("Cattail"), requesting that certain Third Deed of Trust Participation Interest in a promissory note be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that J. P. Blase Cooke 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: Cattail is a Maryland non-stock corporation, organized and operated not-for-private profit but exclusively for pleasure, recreation and other non-profit purposes (athletic and social); Cattail intends to offer and sell its participation interests in an approximate aggregate amount of $800,000 but will only offer and sell in Virginia the amount of $25,000.00 to Mr. Phillip Cooke on terms and conditions as more fully described in the Offering Circular filed as a part of the application; said securities are to be offered and sold by Mr. J. P. Blase Cooke who will not be compensated for his efforts.

THE COMMISSION, based on the facts asserted by Cattail 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 amounting to $25,000.00 be, and they hereby

are, exempted from the securities registration requirements of the Securities Act and that Mr. J. P. Blase Cooke be, and hereby is, exempted from the agent registration requirements of said Act.

CASE NO. SEC940010
FEBRUARY 1, 1994

APPLICATION OF
COMMUNITY UNITED METHODIST CHURCH

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated January 6, 1994, with exhibits attached thereto, as subsequently amended, of Community United Methodist Church ("CUMC"), requesting that certain General 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 CUMC 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: CUMC is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; CUMC intends to offer and sell General Deed of Trust Bonds - Series 1994A in an approximate aggregate amount of $1,370,000 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 CUMC 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 CUMC 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. SEC940011
FEBRUARY 10, 1994

APPLICATION OF
MOUNT CARMEL MISSIONARY 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, with exhibits attached thereto, of Mount Carmel Missionary Baptist Church ("MCMBC"), dated December 16, 1993 requesting a determination that certain First Mortgage Serial Sinking Fund Bonds "Series B" 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: MCMBC is organized and operates not for private profit but exclusively for religious, educational, benevolent and charitable purposes; MCMBC intends to offer and sell First Mortgage Serial Sinking Fund Bonds "Series B" in an approximate 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 broker-dealer so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by MCMBC in the written application and exhibits, is of the opinion and finds and does hereby ADJUDGE AND ORDER that the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code § 13.1-514.1.B.

CASE NOS. SEC940012, SEC940013, and SEC940014
FEBRUARY 16, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MAJOR MARKETING CORPORATION
COMEDY DATING CORPORATION, d/b/a MARRY ME,
and
JAYNE B. MAXINE,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, Major Marketing Corporation ("MMC"), Comedy Dating Corporation ("CDC"), d/b/a Marry Me, and Jayne B. Maxine ("Maxine"), pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges (i) that MMC and CDC employed Maxine as an unregistered agent in violation of Virginia Code § 13.1-504B, (ii) that MMC and Maxine offered for sale and sold unregistered securities being in the form of promissory notes, in violation of Virginia Code § 13.1-507, (iii) that CDC and Maxine offered for sale and sold unregistered securities, being in the form of investment contracts as evidenced by the CDC Franchise and Licensing Agreement and Addendum, in violation of Virginia Code § 13.1-507, (iv) that Maxine transacted business in the Commonwealth as an unregistered agent for MMC and for CDC in violation of Virginia Code § 13.1-504A, and (v) that in violation of Virginia Code § 13.1-502(2), MMC, CDC and Maxine obtained money by means of omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, by failing to inform some investors of Maxine's Chapter 7 bankruptcy on October 31, 1989, by failing to inform some investors of Maxine's Chapter 13 bankruptcy of June 14, 1993, both being filed in U.S. Bankruptcy Court for the Eastern District of Virginia, Alexandria, and by failing to inform any investors of Maxine's continued indebtedness of $60,668 since her bankruptcy of October 31, 1989. The Defendants neither admit nor deny these allegations, but admit the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered and agreed to comply with, the following terms and undertakings:

(A) By letter dated January 3, 1994, Maxine stated that she does not have the funds with which to make restitution to the investors or to pay the cost of the investigation;

(B) Major Marketing Corporation and Comedy Dating Corporation will be permanently enjoined to employ, for purposes of offering for sale and selling securities in this Commonwealth, only agents who are registered under the Virginia Securities Act or exempted therefrom;

(C) Major Marketing Corporation, Comedy Dating Corporation and Jayne B. Maxine will be permanently enjoined to offer for sale and sell in this Commonwealth, whether indirectly or directly, only securities that are registered under the Virginia Securities Act or exempted therefrom;

(D) Major Marketing Corporation, Comedy Dating Corporation and Jayne B. Maxine will be permanently enjoined not to violate Virginia Code § 13.1-502(2), and

(E) Jayne B. Maxine will be permanently enjoined not to indirectly or directly transact business in this Commonwealth as an agent unless so registered under the Virginia Securities Act or exempted therefrom.

The Division has recommended that the 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 are permanently enjoined as described in paragraphs (B), (C), (D) and (E), above; and

(3) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC940015
FEBRUARY 28, 1994

APPLICATION OF
COLONIAL HEIGHTS BAPTIST CHURCH OF COLONIAL HEIGHTS, VIRGINIA

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated February 1, 1994, with exhibits attached thereto, as subsequently amended, of Colonial Heights Baptist Church of Colonial Heights, Virginia ("Colonial"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Colonial be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Colonial is an unincorporated Virginia congregation operating not for private profit but exclusively for religious, educational and charitable purposes; Colonial intends to offer and sell First Deed of Trust Bonds in an approximate amount of $150,000 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 Colonial who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Colonial in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1.B., the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the bond sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC940016
MARCH 2, 1994

APPLICATION OF
FOURTH FINANCIAL CORPORATION

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application as supplemented, with exhibit, of Fourth Financial Corporation ("Applicant") filed under Va. Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the securities and transactions described below are exempted from the securities, broker-dealer and agent registration requirements of the Securities Act of Virginia pursuant to (i) Va. Code § 13.1-514 A 12 and Securities Act Rule 504 adopted thereunder and (ii) § 13.1-514 B 15 (1993). The pertinent information contained in the application is summarized as follows:

Applicant is a corporation organized under the laws of the State of Kansas and is registered as a bank holding company pursuant to the Bank Holding Company Act of 1956. Applicant intends to enter into a merger pursuant to the laws of the States of Kansas and Delaware whereby Great Southern Bancorp, Inc. ("GSB"), a Delaware corporation and a registered savings and loan holding company under the Home Owner's Loan Act, will merge with and into Applicant. Upon consummation of the merger, Applicant will be the surviving entity, and each share of GSB common stock will be converted into and exchanged for 1.6394 shares of common stock of Applicant, and each outstanding option to purchase one share of GSB common stock will automatically be converted into the right to receive 1.6394 shares of common stock of Applicant, as set forth in the Agreement and Plan of Reorganization dated October 12, 1993. Applicant's common stock is listed on the National Association of Securities Dealers Automated Quotation National Market System ("NASDAQ/NMS"). Applicant has been subject to the reporting requirements of § 13 of the Securities Exchange Act of 1934 for the 180 days preceding the filing of this application and is current in its filings.

Pursuant to the authority granted in Va. Code § 13.1-514 A 12, the Commission adopted Securities Act Rule 504. This Rule creates an exemption from the securities registration requirements of the Securities Act if (i) the issuer of the security has been subject to the reporting requirements of § 13 of the Securities Exchange Act of 1934 for the 180-day period preceding the use of the exemption and (ii) the NASDAQ/NMS meets the criteria specified in Rule 504.

Va. Code § 13.1-514 (1993) provides, in part:

> ....
>
> B. The following transactions are exempted from the securities, broker-dealer and agent registration requirements of this chapter . . .:
>
> 15. Any transaction incident to a . . . statutory . . . merger . . . .

THE COMMISSION, based upon the information supplied by Applicant and the Division of Securities and Retail Franchising, is of the opinion and finds (i) that the NASDAQ/NMS exemption is applicable to Applicant's common stock involved in the merger between Applicant and GSB and (ii) that the foregoing proposed issuance of Applicant's common stock will constitute transactions incident to a statutory merger. It is, therefore,

ORDERED that the securities and transactions described above are exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to Securities Act Rule 504 and Va. Code § 13.1-514 B 15 (1993).

CASE NO. SEC940018
MARCH 21, 1994

APPLICATION OF
TRINITY 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 February 15, 1994, with exhibits attached thereto as subsequently amended, of Trinity Presbyterian Church ("Trinity"), requesting that certain General 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 charitable purposes; Trinity intends to offer and sell General Deed of Trust Bonds in an approximate aggregate amount of $1,135,000 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. SEC940019
MARCH 18, 1994

APPLICATION OF
OAKTON UNITED METHODIST CHURCH

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated February 17, 1994, with exhibits attached thereto, as subsequently amended, of Oakton United Methodist Church ("Oakton"), requesting that certain Revenue Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Oakton 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: Oakton is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Oakton intends to offer and sell Revenue Bonds, Series of April 1, 1994, in an approximate aggregate amount of $250,000 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 Oakton 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 Oakton 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. SEC940021
MAY 31, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DOUGLAS WAYNE KENDRICK,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, Douglas Wayne Kendrick, pursuant to Section 13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that Defendant, in violation of Section 13.1-507 and Section 13.1- 502(3) of the Virginia Securities Act, has:

1. Offered and sold securities in this Commonwealth without the securities being registered under the Virginia Securities Act or the securities or transaction being exempted by the Act.

2. Engaged in transactions, practice or course of business which operated as a fraud or deceit upon the purchaser.

Without admitting or denying these allegations, the Defendant admits the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against him, Defendant has offered, and agrees to comply with, the following terms and undertakings:

1. Defendant agrees that he will not, (a) seek application to become registered in any capacity under the Virginia Securities Act, and (b) engage in the offer or sale of any security exempted from registration or any transaction exempted under the Virginia Securities Act.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 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, described above from and after the date of this order;

4. That Defendant will not engage in any conduct which constitutes a violation of Virginia Code Section 13.1- 502(3) or Virginia Code Section 13.1-507; and,

5. That this matter is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC940023
MARCH 28, 1994

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 7, 1994, 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 ($15,000,00) 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. SEC940024
MARCH 29, 1994

APPLICATION OF
THE ROCKFORD INSTITUTE POOLED INCOME 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 February 1, 1994, as subsequently amended, with exhibits attached thereto, of The Rockford Institute Pooled Income Fund (the "Fund"), requesting that interests in the Fund be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain individuals who solicit gifts to the Fund be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: the Fund was established by The Rockford Institute ("Rockford"), an Illinois corporation formed not for private profit but exclusively for literary and educational purposes; the Fund is a pooled income fund within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986; and, gifts to the Fund will be solicited by volunteers or employees of Rockford who will not be compensated on the basis of the amount of gifts transferred to the Fund.

THE COMMISSION, based on the facts asserted by the Fund in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 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 Rockford's volunteers and employees who solicit on behalf of the Fund be, and they hereby are, exempted from the agent registration requirement of said Act.

CASE NO. SEC940025
APRIL 11, 1994

APPLICATION OF
LIGHTHOUSE WORSHIP CENTER, HAYES, VIRGINIA

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated February 3, 1994, with exhibits attached thereto, as subsequently amended, of Lighthouse Worship Center, Hayes, Virginia ("Lighthouse"), 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 Lighthouse 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: Lighthouse is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Lighthouse intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $2,100,000.00 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of Lighthouse 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 Lighthouse 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.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. SEC940026
SEPTEMBER 9, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CONVENIENCE LIGHT, INC.,
Defendant

FINAL ORDER AND JUDGMENT

By Rule to Show Cause dated June 3, 1994, the Commission, among other things, assigned this case to a Hearing Examiner to conduct a hearing on behalf of the Commission. Defendant did not file a responsive pleading or appear at the hearing. At the conclusion of the July 18, 1994 hearing, the Hearing Examiner issued from the bench his Report setting forth his recommended findings of fact and conclusions of law. The Commission therefore 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 responsive pleading or appear at the hearing;

(3) That the Defendant is a corporation organized under the laws of New Jersey;

(4) That in June, 1988, the Defendant, acting through its agents Robert D. White and John H. Foehl, offered and sold its common stock in Virginia;

(5) That such stock was not registered under the Virginia Securities Act ("the Act");

(6) That no person has ever been registered as an agent of the Defendant under the Act;

(7) That the aforesaid acts constitute violations of §§ 13.1-504(B) and 13.1-507 of the Act; and

(8) 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 amount of ten thousand dollars ($10,000) for its violations of §§ 13.1-504(B) and 13.1-507 of the Act, which sum the Commonwealth shall recover from the Defendant with interest at 9% per year until paid;

(2) That the Defendant is permanently enjoined from violation of the said provisions of the Act in the future, and

(3) That as there appears nothing further to be done in this proceeding, this case shall be dismissed from the docket and the papers placed in the file for ended causes.

CASE NO. SEC940028
JULY 29, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FRANCIS R. DOVE, a/k/a FRANK DOVE,
Defendant

ORDER AND JUDGMENT

A Rule to Show Cause was issued against the Defendant, Francis R. Dove, also known as Frank Dove, ("Dove") on April 1, 1994, which, among other things, scheduled this case to be heard on May 11, 1994. The Rule was issued at the instance of the Division of Securities and Retail Franchising ("Division") as a consequence of its investigation of this matter pursuant to the Securities Act (Va. Code Ann. §§ 13.1-501 - 13.1-527.3) ("Act"). The matter was continued generally by order dated May 6, 1994, and was set for hearing on July 20, 1994, by a second Rule to Show Cause issued on June 16, 1994. The Defendant, pro se, filed a document entitled "Response Pleading" on July 11, 1994, and appeared on his own behalf at the hearing conducted on July 20, 1994. The Division was represented by staff counsel. The Division presented its case through the testimony and exhibits of five witnesses. The Defendant offered no witnesses.

The Commission, based on the pleadings as well as the testimony and exhibits, is of the opinion and finds:

1. Dove, acting as an agent of Re/Max Dynamic Realty of Arlington, Inc. ("Re/Max"), offered and sold in this Commonwealth shares of stock issued by Re/Max.

2. Re/Max was incorporated under the Virginia Stock Corporation Act in February 1987; its corporate existence was automatically terminated on September 1, 1992.

3. The offer and sale of the stock occurred in Virginia during the period of April 1991 through July 1991.

4. Dove sold the stock in eight (8) transactions to seven (7) business associates who paid a total of $47,500 for the shares.

5. The seven purchasers and the amounts of their respective investments are as follows:

Ali Ali - $2,500
Alice Sargent - $10,000
Earl F. and Jane M. Lyle - $10,000
Tom Rucker - $10,000
John Edwards - $5,000
Helene Baron - $5,000
Luis and Sonia Teran - $5,000

6. The stock is a security as defined in Va. Code § 13.1-501.

7. In the offer and sale of the stock, Dove violated the anti-fraud provisions of Va. Code § 13.1-502(2).

8. The activities described above constitute eight (8) violations of the Act, specifically Va. Code § 13.1-502(2).

9. Dove stated to the Commission that he always intended to repay each of the purchasers, if he was able, and represented that he should be able to do so by December 31, 1994.

10. As a consequence of his violations of the Act, Dove should be penalized and enjoined as set forth below.

It is, therefore,

ORDERED and ADJUDGED:

(1) Pursuant to Va. Code § 13.1-519, Francis R. Dove be, and he hereby is, permanently enjoined from violating the provisions of Va. Code § 13.1-502 in the offer or sale of securities.

(2) Pursuant to Va. Code § 13.1-521, Francis R. Dove be, and he hereby is, penalized in the amount of $40,000 and that the Commonwealth recover of and from the Defendant said sum, with interest thereon at the rate of 9% per year until paid; provided, that the entire amount of the penalty and interest is suspended and shall be forgiven if Dove, by January 1, 1995:

(a) Has refunded, in accordance with the provisions of Va. Code § 13.1-522 D, to the seven purchasers the consideration each paid or has consummated a settlement with each of them, and

(b) Files in this case evidence of such refund or settlement in the form of a release or other written instrument signed by each purchaser.

(3) In the event Dove has not fully refunded the consideration paid by the seven purchasers or completely settled with the purchasers by January 1, 1995, but has effected partial refunds or settlements with them, the Commission may consider the extent of partial restitution as may justify suspension of a portion of the penalty which would otherwise be imposed by this order.

(4) The Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. SEC940029
APRIL 4, 1994

APPLICATION OF
SOUTHSIDE BAPTIST TEMPLE

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated December 6, 1993, with exhibits attached thereto, as subsequently amended, of Southside Baptist Temple ("Southside"). requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Southside be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Southside is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Southside intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $500,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold only to church members, their families and friends of the church by a bond sales committee composed of members of Southside who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by Southside in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1.B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the bond sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC940030
APRIL 11, 1994

APPLICATION OF
THE HOSPITALS AND HIGHER EDUCATION FACILITIES AUTHORITY OF PHILADELPHIA
(A NON-PROFIT PENNSYLVANIA CORP.)

For a Certificate of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia (1950)

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, of The Hospitals and Higher Education Facilities Authority of Philadelphia ("Authority") dated March 17, 1994, requesting a determination that certain Hospital Revenue Bonds (Wills Eye Hospital) be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5).

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: The "Authority is a non-profit corporation organized under the laws of Pennsylvania for benevolent and educational purposes. The Authority intends to issue Hospital Revenue Bonds, Series of 1994 (Wills Eye Hospital) in an approximate aggregate amount of fourteen million one hundred forty thousand dollars ($14,140,000.00) subject to conditions which are more fully described in the Preliminary Prospectus submitted with the written application.

THE COMMISSION, based on the facts asserted by the Authority in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offers and sales of the securities described above are exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers registered in this Commonwealth.

CASE NO. SEC940031
JULY 1, 1994

APPLICATION OF
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

For promulgation of a rule pursuant to Virginia Code § 13.1-523 (Securities Act)

ORDER REPEALING AND ADOPTING RULE

On April 5, 1994, the National Association of Securities Dealers, Inc. ("NASD") filed a petition requesting the Commission to amend its Securities Act Rule 504. On or about May 12, 1994, the Division mailed to the broker-dealers registered under the Securities Act and to other interested parties summary notice of the contents of the Rule changes proposed by the NASD, of the possibility that the NASD may file an amendment to its proposed changes and of the opportunity to file comments and request to be heard with respect to any objections to the proposals. In accordance with the Commission's order entered herein on June 2, 1994, similar notice was published in several newspapers in general circulation throughout the Commonwealth. This notice, as well as the text of the proposed amended Rule, also was published in "The Virginia Register of Regulations," Vol. 9, Issue 18, May 30, 1994, pp. 4914-15; 4916-19. The only person who filed comments was the Virginia Securities Industry Association, which endorsed the application. No requests for a hearing were received.

On June 13, 1994, the NASD filed a revised Rule proposal and an ancillary agreement related to providing certain information to the Commission. It has been represented to the Commission that the revisions and agreement resulted from discussions between the NASD and the Division of Securities and Retail Franchising ("Division"). Shortly after this filing was made, the Virginia Securities Industry Association submitted a second letter supporting the NASD proposal, as revised. On June 22, 1994, the NASD submitted by facsimile an amended agreement.

The Commission has been advised by the Division that it is satisfied with the NASD proposed Rule and the agreement, as amended, and recommends that the Commission adopt the revised Rule.

The Commission, upon consideration of the revised Rule and agreement and the recommendations of the Division, is of the opinion and finds that the proposed amendment of Rule 504, as revised, should be adopted and that the ancillary agreement should be utilized in conjunction with the Rule. Accordingly, it is

ORDERED:

(1) That evidence of mailing and publication of notice of the proposed amendment of Securities Act Rule 504 be filed in this case as Exhibit A;

(2) That Securities Act Rule 504 as currently in effect be, and it hereby is, repealed as of July 25, 1994;

(3) That proposed Securities Act Rule 504, as revised, a copy of which is attached hereto, be, and it hereby is, adopted and shall become effective as of July 25, 1994; and

(4) That this matter is dismissed from the docket and the papers herein be placed in the file for ended causes.

NOTE: A copy of Exhibit A entitled "Rule 504 Nasdaq/National Market System Exemption" 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. SEC940031
JULY 18, 1994

APPLICATION OF
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

For promulgation of a rule pursuant to Virginia Code § 13.1-523 (Securities Act)

AMENDING ORDER

IT APPEARING to the Commission that the Order Repealing and Adopting Rule entered herein on July 1, 1994, and the Rule attached thereto contain clerical errors which should be amended nunc pro tunc; it is, therefore,

ORDERED that the Order Repealing and Adopting Rule dated July 1, 1994, and Securities Act Rule 504 attached thereto be, and they hereby are, amended nunc pro tunc in the following respects:

(1) The citation on the first page of the Order to "'The Virginia Register of Regulations,' Vol. 9," is amended by substituting the number "10" for the number "9."

(2) The first line of paragraph A of Rule 504 is amended by striking the fifth word "to."

CASE NO. SEC940032
APRIL 14, 1994

APPLICATION OF
NEW CANAAN PENTECOSTAL 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 11, 1994, with exhibits attached thereto, as subsequently amended, of New Canaan Pentecostal Church ("New Canaan"), 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 New Canaan 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 Canaan is an unincorporated Virginia religious congregation operating not for private profit but exclusively for religious, educational and charitable purposes; New Canaan 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 New Canaan 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 Canaan 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. SEC940033
APRIL 13, 1994

APPLICATION OF
NEABSCO BAPTIST CHURCH, WOODBRIDGE, VIRGINIA

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated March 2, 1994, with exhibits attached thereto, as subsequently amended, of Neabsco Baptist Church, Woodbridge, Virginia ("Neabsco"), 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 Neabsco 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: Neabsco is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Neabsco 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 a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of Neabsco 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 Neabsco 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. SEC940035
APRIL 28, 1994

APPLICATION OF
SOUTHEASTERN DISTRICT-LCMS CHURCH EXTENSION FUND, INC.
(A NONSTOCK VIRGINIA CORPORATION)

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated March 17, 1994, with exhibits attached thereto, of Southeastern District-LCMS Church Extension Fund, Inc. ("SED-CEF"), requesting that certain Flexible Investment Certificates and Term Certificates (together, the "Debt Securities") be exempted from the securities registration requirements of the Securities Act and that certain employees of SED-CEF be exempted from the agent registration requirements (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: SED-CEF is a Virginia nonstock corporation organized and operated not for private profit but exclusively for religious, educational, charitable and benevolent purposes; SED-CEF intends to offer and sell Debt Securities in an approximate aggregate amount of fifteen million dollars ($15,000,000.00) subject to conditions which are more fully described in the Offering Circular submitted with the written application; the Debt Securities will be offered and sold to members of, contributors to, or participants in the Lutheran Church-Missouri Synod (the "Synod"), including any District or other program, activity or organization which constitutes a part of the Synod, or any congregation of the Synod, or any persons who are ancestors, descendants, or successors in interest to such persons; and, said securities are to be offered and sold by SED-CEF's officers who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by SED-CEF 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 SED-CEF's officers be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC940042
APRIL 22, 1994

APPLICATION OF
THE TRINITY 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 March 23, 1994, with exhibits attached thereto, as subsequently amended, of The Trinity Presbyterian Church ("Trinity"), requesting that certain General Deed of Trust Bonds Series 1994A 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 charitable purposes; Trinity intends to offer and sell General Deed of Trust Bonds in an approximate 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 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. SEC940045
MAY 16, 1994

APPLICATION OF
MISSION INVESTMENT FUND OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
(A MINNESOTA NONPROFIT CORPORATION)

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated April 18, 1994, with exhibits attached thereto, of Mission Investment Fund of the Evangelical Lutheran Church in America ("MIF"), requesting that certain Mission Term Certificates and Mission Plus Investments (together, the "Debt Securities") 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: MIF is a nonprofit corporation organized under the laws of the State of Minnesota exclusively for religious and charitable purposes; MIF intends to offer and sell Debt Securities in an approximate aggregate amount of sixty million dollars ($60,000,000.00) subject to conditions which are more fully described in the Offering Circular submitted with the written application; the Debt Securities will be offered and sold in Virginia by agents of MIF who are registered under the Securities Act.

THE COMMISSION, based on the facts asserted by MIF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1.B and shall be offered or sold in Virginia only by broker-dealers or agents who are so registered under the Securities Act.

CASE NO. SEC940046
APRIL 28, 1994

APPLICATION OF
THE STUDENT LOAN ACQUISITION AUTHORITY OF ARIZONA
(A NON-PROFIT ARIZONA CORPORATION)

For a Certificate of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia (1950)

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, of The Student Loan Acquisition Authority of Arizona ("Authority") dated April 18, 1994, requesting a determination that certain Student Loan Revenue Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5).

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Authority is a non-profit corporation organized under the laws of the State of Arizona for charitable and educational purposes. Authority intends to issue Senior Auction Gauged Earnings Securities (A Type Adjustable Rate Bond) and Subordinate Fixed Rate Bonds in an approximate aggregate amount of one hundred seventeen million five hundred eighty thousand dollars ($117,580,000) subject to conditions which are more fully described in the Preliminary Prospectus submitted with the written application.

THE COMMISSION, based on the facts asserted by Authority in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the offers and sales of the securities described above are exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code § 13.1-514.1.B and shall be made in Virginia only by broker-dealers registered in this Commonwealth.

CASE NO. SEC940048
JULY 27, 1994

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 May 12, 1994, the Division of Securities and Retail Franchising mailed to the broker-dealers registered under the Securities Act and to other interested parties summary notice of the contents of a proposed Securities Act Rule (Rule 507), of proposed amendments of existing Securities Act Rules (Rules 300 and 404) and of the opportunity to file comments and request to be heard with respect to any objections to the proposals. In accordance with the Commission's order entered herein on June 2, 1994, similar notice was published in several newspapers in general circulation throughout the Commonwealth. This notice, as well as the text of the proposed changes, also was published in "The Virginia Register of Regulations," Vol. 10, Issue 18, May 30, 1994, pp. 4914-16; 4919-22. Several persons filed comments, but no request for a hearing was received.

The Commission, upon consideration of the proposals, the comments filed by interested persons, and the recommendations of the Division, is of the opinion and finds that certain of the proposals should be modified as follows:

> Rule 507 ("Test-the-Waters" Exemption): In the last clause of Section G, substitute the word "after" for "from"; in Section K 5, substitute the word "preliminarily" for "preliminary"; in paragraph 2 of the COMMENTS, add a new sentence -- "Persons who solicit indications of interest under this Rule must be registered under, or exempted from registration by, the Act as a broker-dealer or as an agent."; add to the COMMENTS a new paragraph 4 -- "With respect to Sections D and E of this Rule, the offeror may begin to conduct solicitations of interest once the prefiling requirements have been satisfied, unless notified otherwise by the Commission. The Commission may at any time notify the offeror not to distribute any Solicitation of Interest Form, script, advertisement, or other material which the Commission believes is in violation of the Act's anti-fraud provisions." -- and redesignate paragraphs 4 and 5, respectively, as "5" and "6."

The Commission is further of the opinion and finds that the other proposals should be adopted as noticed. Accordingly, it is

ORDERED:

(1) That evidence of mailing and publication of notice of proposed Rule 507 and of the proposed amendments of Rules 300 and 404 be filed in this case as Exhibit A;

(2) That proposed Rule 507, as modified, and that the proposed amendments of Rules 300 and 404, a copy of which Rules is attached hereto and made a part hereof, be, and they hereby are, adopted and shall become effective as of August 1, 1994; and

(3) That this matter is dismissed from the docket and the papers herein be placed in the file for ended causes.

NOTE: A copy of Exhibit A entitled "Article III Broker-Dealer and Agent 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. SEC940049
SEPTEMBER 6, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JERRY A. BLACKWELL, d/b/a B. W. INDUSTRIES,
Defendant

FINAL ORDER AND JUDGMENT

By Rule to Show Cause dated May 12, 1994, the Commission, among other things, assigned this case to a Hearing Examiner to conduct a hearing on behalf of the Commission. Defendant did not file a responsive pleading or appear at the hearing. At the conclusion of the July 13, 1994 hearing, the Hearing Examiner issued from the bench his Report setting forth his recommended findings of fact and conclusions of law. The Commission therefore finds:

(1) That an attested copy of the Rule to Show Cause was served upon the Defendant as required by law;

(2) That the Defendant did not file a responsive pleading or appear at the hearing;

(3) That in November, 1991, the Defendant, acting for himself and as an agent of a company called Clean Net U.S.A., Inc., offered and sold certain securities in Virginia;

(4) That said securities were described by the Defendant as shares of Clean Net U.S.A., Inc. and as a limited partnership interest in a joint venture;

(5) That said securities offered by Defendant entitled the purchasers to a share of the profits of a janitorial business for no consideration other than an investment of funds;

(6) That said securities constitute "investment contracts" within the meaning of that term contained in § 13.1-501 of the Virginia Securities Act ("the Act");

(7) That said securities were not registered under the Act;

(8) That Defendant was not registered as an agent of the issuer of said securities under the Act;

(9) That at the time of the sale of said securities, the Defendant was registered under the Act as an agent of a registered securities broker-dealer;

(10) That the aforesaid acts constitute violations of §§ 13.1-504(A), 13.1-504(B), and 13.5-507 of the Act; and

(11) 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 amount of fifteen thousand dollars ($15,000) for his violations of §§ 13.1-504(A), 13.1-504(B), and 13.1-507 of the Act, which sum the Commonwealth shall recover from the Defendant with interest at 9 percent per year until paid;

(2) That the Defendant is permanently enjoined from violation of said provisions of the Act in the future; and

(3) That as there appears nothing further to be done in this proceeding, this case shall be dismissed from the docket and the papers placed in the file for ended causes.

CASE NO. SEC940053
MAY 24, 1994

APPLICATION OF
DEAN WITTER REYNOLDS INC.

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application, with exhibits, of Dean Witter Reynolds Inc. ("Applicant") dated February 17, 1994, as supplemented by letters dated March 18 and April 11, 1994, filed under Va. Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the securities described below are exempted from the securities registration requirements of the Securities Act pursuant to Va. Code § 13.1-514 A 1 and/or A 3. The pertinent information contained in the application is summarized as follows:

Applicant, a broker-dealer so registered under the Securities Act, desires to offer and sell securities, to wit: investment certificates ("ICs") issued by California-chartered industrial loan companies. The ICs will be insured by the Federal Deposit Insurance Corporation ("FDIC") up to an aggregate of $100,000 per purchaser.

Va. Code § 13.1-514 A 1 provides an exemption from the securities registration requirements of the Securities Act for "[a]ny security . . . guaranteed by . . . any agency . . . or instrumentality of [the United States] . . . ." Applicant contends that this language is applicable to the ICs.

THE COMMISSION, in reliance on the information submitted and upon consideration of this matter, is of the opinion and finds (i) that for the purpose of this application, FDIC insurance is tantamount to a guarantee, up to the insurable limit, by an agency or instrumentality of the United States and (ii) that in view of the foregoing, the availability of the exemption provided by Va. Code § 13.1-514 A 3 not need be determined. It is, therefore,

ORDERED that the securities heretofore described be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to Va. Code § 13.1-514 A 1 so long as the amount of ICs owned by each purchaser does not exceed the insurable limit (as now or hereafter in effect) and so long as each such security is fully and unconditionally insured by the Federal Deposit Insurance Corporation.

CASE NO. SEC940054
MAY 24, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DAVID A. DESANTO,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, David A. DeSanto ("DeSanto"), pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that (i) in violation of Virginia Code § 13.1-504A, DeSanto transacted business in the Commonwealth as an unregistered agent for First Commonwealth Capital Corporation, (ii) in violation of Virginia Code § 13.1-507, DeSanto offered for sale and sold unregistered securities, to wit: limited partnership interests, such securities being in the form of investment contracts, (iii) in violation of Virginia Code § 13.1-502(2), in the offer and sale of securities, DeSanto obtained money by means of omitting to state a material fact, to wit: some investors were not informed of the Order issued by the Commission on April 6, 1986 against DeSanto, and (iv) DeSanto violated the Commission's Order dated April 6, 1986, enjoining him from offering or selling unregistered securities. The Defendant neither admits nor denys 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 him, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) DeSanto promptly will voluntarily terminate his registration as an agent under the Securities Act of Virginia;

(2) For a period of ten years from the date of this Order DeSanto will not apply for registration under the Securities Act of Virginia either as a broker-dealer or as an agent;

(3) For a period of ten years from the date of this Order, DeSanto will not serve as an officer, director or in a supervisory capacity for any broker-dealer registered under the Virginia Securities Act, with the exception of an insurance company subject to the supervision or control of the Commission's Bureau of Insurance;

(4) For a period of ten years from the date of this Order, DeSanto 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 sale 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; and,

(5) DeSanto 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, David A. DeSanto be, and he hereby is, permanently enjoined from violating the provisions of the Securities Act of Virginia;

(4) That this case is dismissed and that the papers herein be placed in the file for end causes.

CASE NO. SEC940057
MAY 27, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
RAYMOND JAMES & ASSOCIATES, INC.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Raymond James & Associates, Inc. ("RJA"), pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that RJA (1) transacted business in this Commonwealth as an unregistered investment advisor in violation of Virginia Code § 13.1-504A, and (ii) employed 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 Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Within fourteen (14) days of the date of this Order Accepting Offer of Settlement, RJA will make, or cause to be made, a written offer to refund the total amount of fees is "paid by" its Virginia clients in connection with the alleged violations through March 1994. Such payment shall include fees paid directly to RJA by the clients, fees paid to the sub-investment advisors by RJA on behalf of the client, brokerage transaction fees paid by RJA to broker-dealers on behalf of the clients and brokerage transaction fees paid directly to the broker-dealer by the client; that such offer shall provide for the refund of the full amount of consideration paid by each Virginia client and any loss due to any investment advice, together with interest thereon at an annual rate of six percent, less the amount of any income received on the security or resulting from such advice; that clients will have thirty (30) days from the date of receipt of the offer within which to either accept or reject the offer; and, if their offer is accepted, RJA will make payments within fourteen (14) days from the date the client's acceptance of the offer is received;

(2) Evidence of compliance with the provisions of paragraph (1) above, shall be filed with the Division by RJA within seven (7) days from the date payment is remitted to the client or from the date the offer is rejected or lapses, whichever comes first; that such evidence shall be in the form of an affidavit executed by an appropriate officer of RJA, which will contain the following information: (i) the name and address of each client who received the offer; (ii) the date the client received the offer; (iii) the date and nature of the client's response to the offer; (iv) if applicable, the date on which payment was remitted to the client; and (v) if applicable, the amount of payment remitted to the client;

(3) RJA will not, indirectly or directly, transact business in this Commonwealth as an investment advisor unless so registered under the Virginia Securities Act;

(4) RJA will employ, for purposes of providing investment advisory services in this Commonwealth, only investment advisor representatives who are registered under the Virginia Securities Act;

(5) That pursuant to Virginia Code § 13.1-521, RJA will pay to the Commonwealth a penalty of ten thousand dollars ($10,000) and pursuant to Virginia Code § 13.1-518A, RJA will pay to the Commission the sum of two thousand dollars ($2,000) to defray the cost of the investigation; and

(6) That it is recognized and understood that if the Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and the Defendant will not contest the exercise of the right reserved.

The Division has recommended that the Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendant's offer of settlement is accepted;

(2) That the Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That Raymond James & Associates, Inc., pursuant to Virginia Code § 13.1-521, pay to the Commonwealth a penalty of ten thousand dollars ($10,000), and pursuant to Virginia Code § 13.1-518A, pay to the Commission the sum of two thousand dollars ($2,000) to defray the cost of the investigation, and that the Commonwealth of Virginia and the Commission recover of and from the Defendant, said amounts;

(4) That the total sum of twelve thousand dollars ($12,000) tendered by Raymond James & Associates, Inc. contemporaneously with the entry of this Order Accepting Offer of Settlement is accepted; and

(5) That the Commission shall retain jurisdiction in this matter for 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. SEC940059
MAY 31, 1994

APPLICATION OF
THE FLORA AND MARY HEWITT MEMORIAL HOSPITAL, INCORPORATED

For an Order of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia (1950)

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated May 5, 1994, with exhibits attached thereto, of The Flora and Mary Hewitt Memorial Hospital, Incorporated (the "Memorial Hospital"), requesting that the securities that the Memorial Hospital proposes to issue be exempt from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5).

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: the Memorial Hospital is a not-for-profit corporation organized under the laws of the State of Connecticut exclusively for charitable purposes; the Memorial Hospital intends to offer and sell First Mortgage Bonds, 1994 Series in an aggregate amount of $10,600,000 under terms and conditions as more fully described in the Prospectus filed as a part of the application.

THE COMMISSION, based on the facts asserted by the Memorial Hospital in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that the securities described above be exempt from the securities registration requirements of the Securities Act pursuant to the provisions of Code § 13.1-514.1.B and shall be offered and sold in Virginia only by broker-dealers and agents so registered under the Securities Act.

CASE NO. SEC940060
MAY 31, 1994

APPLICATION OF
NATIONAL COVENANT PROPERTIES (A NOT-FOR-PROFIT ILLINOIS CORPORATION)

For an Order of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia (1950)

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated February 28, 1994, with exhibits attached thereto, of National Covenant Properties ("NCP"), requesting that the securities that NCP proposes to issue be exempt from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that NCP's officers be exempted from the agent registration requirement of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: NCP is a not-for-profit corporation organized under the laws of the State of Illinois for religious and benevolent purposes; NCP intends to offer and sell 5-Year Fixed Rate Renewable Certificates (Series A), 30-Day Certificates (Series G) and Individual Retirement Account Certificates (IRA Certificates) in an approximate aggregate amount of $18,000,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and said securities are to be offered and sold by NCP's officers who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by NCP in the written application and exhibits, is of the opinion and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1.B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the officers of NCP be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC940062
JUNE 9, 1994

APPLICATION OF
NORTHSIDE BAPTIST CHURCH

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated May 17, 1994, with exhibits attached thereto, as subsequently amended, of Northside Baptist Church ("Northside"), requesting that certain First and Second Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Northside 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: Northside is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and charitable purposes; Northside intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $1,100,000 and Second Deed of Trust Bonds in an approximate aggregate amount of $150,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of Northside 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 Northside 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. SEC940065
JUNE 21, 1994

APPLICATION OF
CHAPEL GROVE UNITED CHURCH OF CHRIST

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated April 22, 1994, with exhibits attached thereto, as subsequently amended, of Chapel Grove United Church of Christ ("Chapel Grove"), 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 Chapel Grove 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: Chapel Grove is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Chapel Grove intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $380,000 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 Chapel Grove 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 Chapel Grove 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. SEC940066
JUNE 21, 1994

APPLICATION OF
WESTERN NATIONAL GROUP, L.P.

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application, with exhibit, of Western National Group, L.P. ("Applicant") dated March 2, 1994, as supplemented by letters dated March 14, 1994, and May 26, 1994, filed under Virginia Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the proposed securities transactions described below are exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to Virginia Code § 13.1-514 B 15. The pertinent information contained in the application is summarized as follows:

Applicant, a newly formed Delaware limited partnership, is proposing the consolidation of two portfolios of multifamily properties currently managed by B.D.F. Corp., a California corporation d/b/a I.P.S. Management Co., Inc. ("IPS"), and Western National Securities, a California corporation d/b/a Western National Property Management, Inc. ("WNP"), simultaneously with an initial public offering and refinancing. The multifamily property management businesses now operated by IPS and WNP, as well as related maintenance and service businesses and development and construction expertise affiliates, will also be consolidated with and into Applicant. The proposed transaction involves the consolidation of the assets and liabilities of each of 65 privately held general and limited partnerships and the inclusion of four additional multifamily properties and one commercial office building. All of the properties involved in the consolidation are managed by IPS and WNP and are located in southern California. The partners and other owners of the properties participating in the consolidation will become limited partners of Applicant. Western National Group, Inc., a newly formed Maryland corporation that expects to qualify as a real estate investment trust, will be the sole general partner of Applicant. Approximately 450 persons (one of whom resides in Virginia) will receive detailed information about the proposed consolidation and offering by way of a "Prospectus/Consent Solicitation Statement." To participate in the consolidation, there must be approval by partners holding at least 70% of the outstanding limited partner interests and all the outstanding general partner interests of each limited

partnership. With respect to the general partnerships, all outstanding general partner interests must approve participation in the transaction. The proposed transaction is governed by and will be effected pursuant to the California Corporate Securities Law of 1968, specifically chapter 3 thereof, entitled "Recapitalizations and Reorganizations." The proposed consolidation will be subjected to a "fairness hearing" conducted by the Commissioner of the California Department of Corporations. Although not expressly subject to its provisions, the consolidation has been structured to afford dissenting partners the dissenters' rights and other protections contained in the California legislation known as the Thompson-Killea Limited Partnership Protection Act of 1992. Pursuant to this law, a dissenting partner will receive the appraised value of his partnership interest in the form of cash.

Virginia Code § 13.1-514 B 15 provides an exemption from the securities, broker-dealer and agent registration requirements of the Securities Act for "[a]ny transaction incident to a . . . statutory . . . reclassification, recapitalization, reorganization, quasi-reorganization, stock split, reverse stock split, merger, consolidation, sale of assets, or exchange of securities[.]" The transactions enumerated in this Code section are traditionally associated with corporations. However, during the past several years, a continually increasing number of states have changed their statutes which govern the formation and operation of businesses. Not only have new types of entities been authorized - e.g., the limited liability company - but also business combinations involving different types of entities are now permitted - e.g., mergers involving corporations, limited partnerships and limited liability companies. Virginia has kept abreast of these new developments (see Va. Code § 13.1-1000 et seq., the Virginia Limited Liability Company Act, enacted in 1991; Va. Code §§ 13.1-722, 13.1-1070 and 50-73.48:1, which, since 1992, permit mergers among corporations, limited liability companies and limited partnerships). These new types of business entities may enter a transaction involving a "reclassification, recapitalization, reorganization, quasi-reorganization, stock split, reverse stock split, merger, consolidation, sale of assets or exchange of securities[.]"

The Commission has previously ruled that the purpose of § 13.1-514 B 15 is to avoid the need to register securities in connection with transactions in which investors' interests are protected by corporate governance statutes in the corporation law. In an Official Interpretation rendered in Application of Dial REIT, Inc., Case No. SEC880144, Dec. 2, 1988, the Commission ruled that the B 15 exemption was available to transactions involving corporations only. This conclusion was based in large part on the fact that at that time, only corporate statutes normally contained provisions that were adequate substitutes for the protections afforded investors by the Securities Act. Today, this is no longer the case. For example, the Virginia cross-entity merger statutes cited above contain traditional statutory provisions governing the disclosure of the planned transaction and the affirmative vote required for approval of the transaction. As indicated in the application filed in this matter, the proposed partnership "roll-up" transaction will be subject to California statutes which contain these types of provisions.

THE COMMISSION, upon consideration of this matter and in reliance upon, and limited strictly to, the facts and representations asserted by Applicant, is of the opinion and finds that the proposed consolidation is within the purview of § 13.1-514 B 15. It is, therefore,

ORDERED that the proposed transactions described above be, and they hereby are, exempted from the securities, broker-dealer and agent registration requirements of the Securities Act pursuant to Va. Code § 13.1-514 B 15.

CASE NO. SEC940072
JULY 26, 1994

APPLICATION OF
NEW LIGHT 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 June 21, 1994, with exhibits attached thereto as subsequently amended, of New Light Baptist Church ("NLBC"), 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 NLBC 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: NLBC is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and charitable purposes; NLBC intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $290,000 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 NLBC 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 NLBC 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. SEC940073
JULY 24, 1994

APPLICATION OF
STUDENT LOAN FINANCE CORPORATION
(A NON-PROFIT SOUTH DAKOTA CORPORATION)

For a Certificate of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, of Student Loan Finance Corporation ("SLFC"), dated July 1, 1994, requesting that a determination 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: SLFC is a non-profit corporation organized under the laws of the State of South Dakota for educational purposes. SLFC intends to issue Student Loan Revenue Bonds, Series 1994-A in the aggregate principal amount of one hundred forty seven million four hundred thousand dollars ($147,400,000) subject to terms and conditions as more fully described in the Preliminary Official Statement dated July 8, 1994 and submitted with the written application.

THE COMMISSION, based on the facts asserted by Student Loan Finance Corporation 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. SEC940074
AUGUST 17, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
W. DUKE GRKOVIC,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendant, W. Duke Grkovic, pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges:

(A) That W. Duke Grkovic at all relevant times has been the President of Cambridge Financial Services, Ltd., a registered investment advisor since February 10, 1988, and has been registered under the Virginia Securities Act as an investment advisor representative of Cambridge Financial Services, Ltd. since April 22, 1988.

(B) That in violation of the Commission's Securities Act Rule 1206 B 6, W. Duke Grkovic borrowed $25,000 in July 1993 from clients of Cambridge Financial Services, Ltd.

That 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 them, Defendant has offered and agreed to comply with the following terms and undertakings:

(1) That within thirty (30) days of the date of this order, Defendant will make, or cause to be made, to the clients a written offer to repay the balance of the $25,000 loan together with interest at the rate of 13% per annum compounded monthly accrued but not paid prior to the date of repayment which was made on July of 1993.

(2) That the clients 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 his offer is accepted, will make repayment within thirty (30) days from the date the clients' acceptance of the offer is received by Defendant;

(3) That evidence of compliance with the provisions of paragraphs (1) and (2), above, will be filed with the Division by Defendant within seven (7) days from the date payment is remitted to the Virginia clients 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 the Defendant, which will contain the following information: (i) the date on which the clients received the offer of repayment; (ii) the date and nature of the clients' response to the offer; and (iii) if applicable, the date on which payment was remitted to the clients;

(4) That Defendant will append a copy of this order to the offer of repayment; and,

(5) That Defendant will not accept any future loans from persons who are also clients of the investment advisor in violation of Virginia Securities Act Rule 1206.

(6) That 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;

3. That the Commission retains jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC940075
AUGUST 5, 1994

APPLICATION OF
CORPORATE NETWORK BROKERAGE SERVICES, INC.

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application of Corporate Network Brokerage Services, Inc. ("Applicant") dated May 4, 1994, filed under Va. Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that offers and sales of securities to federally and state chartered credit unions are exempted from the securities, broker-dealer and agent registration requirements of the Securities Act (Va. Code §§ 13.1-501 - 13.1-527.3) pursuant to Va. Code § 13.1-514 B 6. The pertinent information contained in the application is summarized as follows:

Applicant is a wholly owned subsidiary of CNBS Holding Company, Inc. Seventy percent of the stock of CNBS Holding Company, Inc. is owned by U.S. Central Credit Union and the remaining 30% is owned in equal amounts by two other national level credit union organizations. U.S. Central Credit Union is a corporate credit union which operates on a national level primarily for the mutual benefit of its 42 corporate credit union members. The corporate credit union members provide services to approximately 97% (13,000) of all local and regional credit unions throughout the United States and Puerto Rico. The purpose of Applicant is to provide a reliable broker-dealer who understands the business of credit unions as well as their financing and liquidity needs. Applicant provides credit unions access to the securities markets by offering a variety of investments, including primarily U.S. Government, federal agency and mortgage-related securities. Applicant will be an investment advisor to, and may also serve as a distributor for, a series of institutional mutual funds being developed solely for investment by the corporate credit union members. Furthermore, Applicant offers investment advisory services to the corporate credit union members and others. Credit unions established under the Virginia Credit Union Act (Va. Code §§ 6.1-225.1 - 6.1-225.64) must be organized pursuant to the Virginia Nonstock Corporation Act. Credit unions formed under federal law are organized as corporations (see 12 U.S.C. § 1751 et seq.).

Va. Code § 13.1-514 B 6, as is relevant here, exempts from the securities, broker-dealer and agent registration requirements of the Securities Act "[a]ny offer or sale to a corporation. . . ." The exemption does not embrace investment advisory activities, and this order should not be construed to apply to any such activities.

THE COMMISSION, upon consideration of this matter and in reliance upon the facts and representations asserted by Applicant, is of the opinion and finds that credit unions formed under federal or Virginia law must be corporations and offers sales to such entities, as well as to any other credit union organized in corporate form, are within the purview of the B 6 exemption. It is, therefore,

ORDERED that the offers and sales described above, so long as they are directed to a credit union organized as a corporation, 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 6.

CASE NO. SEC940082
AUGUST 12, 1994

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 July 27, 1994, with exhibits attached thereto, as subsequently amended, of New Hope Baptist Church ("New Hope"), 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 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 in an approximate aggregate amount of $775,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of New 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 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. SEC940083
AUGUST 18, 1994

APPLICATION OF
PAINEWEBBER INCORPORATED

For an official interpretation pursuant to Va. Code § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application of PaineWebber Incorporated ("Applicant") dated March 21, 1994, filed under Va. Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that the purchase of American Depository Receipts ("ADRs") by certain of its investment advisory clients are transactions exempted from the registration requirements of the Securities Act ("Act") pursuant to Va. Code § 13.1-514 B 3. The pertinent information contained in the application is summarized as follows:

Applicant is registered under the Act as a broker-dealer as well as an investment advisor. Mitchell Hutchins Asset Management Inc. ("Mitchell Hutchins"), a wholly-owned subsidiary of Applicant, also is registered under the Act as a broker-dealer and an investment advisor. The accounts of the investment advisory clients in issue are managed by Mitchell Hutchins pursuant to the PaineWebber ACCESS Program ("Program"). The Program provides these clients the opportunity to obtain portfolio management services from a select, pre-screened group of investment managers all of which, except Mitchell Hutchins, are unaffiliated with Applicant. With the assistance of one of Applicant's investment executives, a client will select an investment manager who is given full discretion to buy and sell securities in the client's account. Applicant has no discretionary authority with respect to the purchase or sale of securities in the client's account, and makes no recommendations in this regard. Mitchell Hutchins is one of the pre-screened group of investment managers offering, among other choices, an international equity investment management option. The securities included in this option are ADRs as well as closed-end equity funds which concentrate in a specific foreign country or region. Investment managers chosen by the clients normally utilize the execution services of Applicant for the purchase and sale of securities in Program accounts. However, they can direct transactions to other broker-dealers if best execution or other legal or regulatory requirements dictate. Due to the intercorporate relationship between Applicant and Mitchell Hutchins, Applicant is uncertain if purchase transactions initiated by Mitchell Hutchins would be deemed "unsolicited" for purposes of the exemption provided by § 13.1-514 B 3. Consequently, some of these trades are directed to an unaffiliated broker-dealer for execution (such trades are purchases of ADRs not subject to an exemption other than § 13.1-514 B 3). Notwithstanding this corporate affiliation, Mitchell Hutchins manages the Program accounts independently, without any investment control or influence from Applicant, and initiates these trades without any solicitation or involvement by Applicant.

Va. Code § 13.1-514 B 3 provides an exemption from the securities registration requirements of the Act for "[a]ny transaction by a registered broker-dealer and its registered agent pursuant to an unsolicited order or offer to buy[.]" Applicant asserts that activity with respect to the Program accounts between Applicant and Mitchell Hutchins is no different substantively from the activity between Applicant and unaffiliated investment managers for such transactions - that is, Applicant does not solicit, recommend or make decisions as to the purchase or sale of securities in the Program accounts. Therefore, trades initiated by Mitchell Hutchins and executed by Applicant should not be found to fail to meet the unsolicited criterion solely because of the parent-subsidiary relationship between the two firms.

THE COMMISSION, upon consideration of this matter and in reliance upon the facts and representations asserted by Applicant, is of the opinion and finds that the foregoing ADR purchases are unsolicited for purposes of Va. Code § 13.1-514 B 3. It is, therefore,

ORDERED that the securities transactions described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to Va. Code § 13.1- 514 B 3.

CASE NO. SEC940084
SEPTEMBER 6, 1994

APPLICATION OF
MOUNT LEBANON 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 July 5, 1994, with exhibits attached thereto, as subsequently amended, of Mount Lebanon Baptist Church ("Lebanon"), requesting that certain First Deed of Trust Bonds be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain members of Lebanon be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Lebanon is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and charitable purposes; Lebanon intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $355,000 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 Lebanon who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Lebanon in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1.B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the bond sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC940088
NOVEMBER 22, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LIONEL J. HUNT,
Defendant

ORDER AND JUDGMENT

By Rule to Show Cause dated September 21, 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 October 24, 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 during 1989 and thereafter through 1992, the Defendant offered and sold certain securities, in the form of notes and investment contracts, in Virginia;

5. That in offering and selling the securities, the Defendant obtained funds from investors to be used in the promotion and operation of certain ventures to be created and managed by Defendant, including weight loss programs, record sales, and motivational productions;

6. That in offering and selling the securities, Defendant led investors to expect profits by promising them the return of their money with interest and profits of the ventures termed "royalties";

7. That Defendant has never been registered in any capacity under the Virginia Securities Act ("the Act");

8. That the securities have never been registered under the Act;

9. That in offering and selling the securities, Defendant obtained money by misrepresenting various material facts, and failing to disclose certain material facts including, but not limited to, the following:

a. Failing to disclose that he had failed to repay funds to prior investors; and

b. Failing to disclose that a corporation associated with his ventures was no longer in existence.

10. That the aforesaid acts constitute violations of §§ 13.1-502, 13.1-504(A) and 13.1-507 of the Act; and

11. 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 forty-five thousand dollars ($45,000) 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 forty thousand ($40,000) of said penalty is suspended and shall be remitted upon the condition that the Defendant, within 120 days form 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 125 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 the Defendant is hereby permanently enjoined from violation of the provisions of §§ 13.1-502, 13.1-504(A), and 13.1-507 of the Act; and

(4) That the Commission retains jurisdiction in this matter for all purposes.

CASE NO. SEC940090
SEPTEMBER 21, 1994

APPLICATION OF
WOODLAWN 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 12, 1994, with exhibits attached thereto, as subsequently amended, of Woodlawn Baptist Church ("Woodlawn") located at 9001 Richmond Highway, Alexandria, Virginia, 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 Woodlawn 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: Woodlawn is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and benevolent purposes; Woodlawn 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 Woodlawn 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 Woodlawn 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. SEC940095
SEPTEMBER 29, 1994

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

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising conducted an investigation of Defendant, Capitol Securities Management, 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 Virginia Securities Act, sold securities in this Commonwealth that were not registered or exempt from registration to two investors, to wit: Robert Carrick, and Joseph Featherson.

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 § 13.1-507 of the Virginia Securities Act.

(2) Defendant will refrain from any further conduct which constitutes a violation of the Virginia Securities Act.

(3) Defendant will promptly send a copy of this order to the two investors identified above in this order.

(4) Defendant, pursuant to Virginia Code § 13.1-521, will pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000), which will be tendered contemporaneously with the entry of this order; and,

(5) Defendant, pursuant to Virginia Code § 13.1-518, will pay to the Commission the sum of one hundred eighty-five and one cent ($185.01) 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 five thousand dollars ($5,000) 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 one hundred eighty-five and one cent ($185.01);

(5) That the total sum of five thousand one hundred eighty-five and one cent ($5,185.01) 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. SEC940098
OCTOBER 12, 1994

APPLICATION OF
LUTHERAN CHURCH EXTENSION FUND-MISSOURI SYNOD

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated September 8, 1994, with exhibits attached thereto, as subsequently amended, of Lutheran Church Extension Fund-Missouri Synod ("Lutheran"), requesting that certain Dedicated Savings Certificates, Growth Certificates, First Rate Term Notes, Congregation Certificates and Floating Rate Notes (the "investment obligations") be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain employees of Lutheran be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Lutheran is a Missouri Corporation organized and operated not for private profit but exclusively for religious, educational and charitable purposes; Lutheran intends to offer and sell the investment obligations in an approximate aggregate amount of $10,000,000.00 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; and said securities are to be offered and sold by A.C. Haake, President of the issuer, and Marvin M. Thompson, Executive Vice President of the Southeastern District of the Lutheran Church-Missouri Synod, who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by Lutheran in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1.B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and that A.C. Haake and Marvin M. Thompson be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC940099
NOVEMBER 17, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
V.
VIRGINIA CAPITAL MANAGEMENT GROUP, INC.
and
RUDOLPH MASTERS, JR.,
Defendants

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Defendants, Virginia Capital Management Group, Inc. and Rudolph Masters, Jr., pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges:

(A) Virginia Capital Management Group, Inc. is registered under the Virginia Securities Act as an investment advisor.

(B) Defendant, Virginia Capital Management Group, Inc., in violation of § 13.1-504 C of the Code of Virginia, employed Rudolph Masters, Jr. as an unregistered investment advisor representative.

(C) Defendant, Rudolph Masters, Jr., in violation of § 13.1-504 A (ii) of the Code of Virginia, unlawfully transacted business in this Commonwealth as an unregistered investment advisor representative.

(D) Defendants, in violation of 13.1-503 B of the Code of Virginia, in the solicitation of advisory clients, unlawfully omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, to wit: Rudolph Masters, Jr. has taken and failed the Series 65 examination on the following three dates: December 5, 1991, April 29, 1992 and September 1, 1993. The respective grades received were 54%, 50% and 57%. The passing grade is a minimum of 70 percent.

Defendants neither admit nor deny the allegations, but admit the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against them, Defendants have offered and agree to comply with the following terms and undertakings:

1. Virginia Capital Management Group, Inc. will not employ any unregistered investment advisor representative in violation of § 13.1-504 C of the Code of Virginia;

2. Rudolph Masters, Jr. will not transact business in this Commonwealth as an unregistered investment advisor representative in violation of § 13.1-504 A of the Code of Virginia.

3. Defendants will not, in the solicitation of advisory clients, make untrue statements of material fact, or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in violation of § 13.1-503 B of the Code of Virginia.

4. Defendants, pursuant to § 13.1-521 of the Code of Virginia, will pay a penalty to the Commonwealth in the amount of ten thousand dollars ($10,000.00), which will be tendered contemporaneously with the entry of this order.

5. Defendants, pursuant to § 13.1-518 of the Code of Virginia, will pay to the Commission the sum of two hundred sixty-eight dollars ($268.00) as reimbursement for the costs of the Division's investigation.

6. Defendants promptly will provide a copy of this order to all existing clients with whom Rudolph Masters, Jr., has contracted to provide investment advisory services.

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, Defendants pay a penalty to the Commonwealth in the amount of ten thousand dollars ($10,000.00) and the Commonwealth recover of and from Defendants said amount;

(4) That pursuant to Virginia Code § 13.1-518, Defendants pay to the Commission the amount of two hundred sixty-eight dollars ($268.00) for the cost of the Division's investigation;

(5) That the sum of ten thousand two hundred sixty-eight dollars ($10,268.00) tendered by Defendants contemporaneously with the entry of this order is accepted; and,

(6) That all issues raised in this matter concerning the Defendants' alleged violations of the Securities Act of Virginia be, and they hereby are, settled; that this order, solely by reason of its entry, shall not affect any duty or obligation to disclose the existence or nature of this matter; and, that this matter be, and it hereby is, dropped from the docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC940103
OCTOBER 20, 1994

APPLICATION OF
BETHEL TEMPLE ASSEMBLY OF GOD
(A VIRGINIA NON-PROFIT, UNINCORPORATED CONGREGATIONAL 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 30, 1994, with exhibits attached thereto, of Bethel Temple Assembly of God ("BTAG"), requesting that certain BTAG First Mortgage 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: BTAG is a nonprofit, unincorporated church organized under the laws of the State of Virginia exclusively for religious and charitable purposes; BTAG intends to issue First Mortgage Bonds in an approximate aggregate amount of four million two hundred thousand dollars ($4,200,000.00) subject to conditions which are more fully described in the Offering Circular submitted with the written application; the Bonds will be offered and sold in Virginia by B.C. Ziegler & Company, a broker-dealer currently registered under the Securities Act. Ziegler & Company will act as underwriter for the entire offering.

THE COMMISSION, based on the facts asserted by BTAG in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to the provisions of Virginia Code § 13.1-514.1.B and shall be offered and sold in Virginia only by Ziegler & Company or broker-dealers or agents who are so registered under the Securities Act.

CASE NO. SEC940121
NOVEMBER 18, 1994

APPLICATION OF
VIRGINIA UNITED METHODIST HOMES, INC.

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated October 6, 1994, with exhibits attached thereto, of Virginia United Methodist Homes, Inc. ("VUMH"), requesting that certain gift instruments, known as charitable gift annuities ("CGA's"), be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain individuals who solicit donations of CGA's be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: VUMH is a Virginia nonstock corporation organized and operated not for private profit but exclusively for benevolent purposes; VUMH is exempt from federal income tax pursuant to § 501(c)(3) of the Internal Revenue Code; and, donations of CGA's will be solicited by employees of VUMH who will not be compensated on the basis of the amount of CGA's obtained.

THE COMMISSION, based on the facts asserted by VUMH 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 VUMH's employees who solicit on behalf of VUMH be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC940128
NOVEMBER 18, 1994

APPLICATION OF
CAROLINE SAVINGS BANK

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 Caroline Savings Bank ("Applicant") dated October 20, 1994, filed under Virginia Code § 13.1-525 by its counsel and upon payment of the requisite fee. Applicant has requested a determination that shares of its common stock, $4 par value, are exempted from the securities registration requirements of the Securities Act pursuant to Virginia Code § 13.1-514 A 3 or A 4. The pertinent information contained in the application as well as the Commission's own records is summarized as follows:

Applicant is a state savings bank (as defined in Va. Code § 6.1-194.110) with its main office in Caroline County, Virginia. It is organized and existing under the provisions of the Virginia Savings Bank Act of 1991 (Va. Code § 6.1-194.109 et seq.) and the Virginia Stock Corporation Act (Va. Code § 13.1-601 et seq.). It began transacting business in April 1972 as a savings and loan association formed under Virginia law. Applicant's conversion to a state savings bank was approved by Commission order dated July 21, 1994 (Case No. BFI940433). Since its conversion, Applicant has continued to transact the same business as it did prior to such conversion. Applicant is subject to supervision and examination by the Commission through its Bureau of Financial Institutions. Applicant's deposit accounts are required by Va. Code § 6.1-2.9:4 to be insured by the Federal Deposit Insurance Corporation, and are so insured up to the limits of the insurance provided thereby. Applicant intends to sell additional shares of its $4 per share par value common stock.

Virginia Code § 13.1-514 A 3 provides an exemption from the securities registration requirements of the Securities Act for "[a]ny security issued by and representing an interest in . . . any bank . . . organized under the laws of any state. . . ." Virginia Code § 13.1-514 A 4 establishes a similar exemption for securities issued "by any savings and loan association which is organized under the laws of this Commonwealth." There is no exemption specifically for securities of a "savings bank," an entity unknown in 1957 when the Securities Act became effective.

The exemptions provided by § 13.1-514 A 3 and A 4 are premised on the fact that a bank or savings and loan association is comprehensively supervised, regulated and examined under and by the financial institution laws and regulators of its jurisdiction of organization. In addition, virtually all state-chartered financial institutions, including Applicant, are subject to oversight by one or more federal agencies charged with the regulation of such institutions. Applicant, although denominated a "savings bank," functionally is more similar to a savings and loan association than to a traditional bank. Moreover, the applicable Virginia statutes and the Bureau of Financial Institutions view Applicant more like a savings and loan association than like an institution engaged in the banking business. For these reasons and solely for the purpose of this application, Applicant should be deemed a savings and loan association.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the securities of Applicant are within the purview of Virginia Code § 13.1-514 A 4; accordingly, it is

ORDERED that the $4 par value common shares of Applicant be, and they hereby are, exempted from the securities registration requirements of the Securities Act pursuant to Virginia Code § 13.1-514 A 4.

CASE NO. SEC940134
NOVEMBER 29, 1994

APPLICATION OF
FULL GOSPEL CHURCH OF DELIVERANCE, NEWPORT NEWS, VIRGINIA

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated October 12, 1994, with exhibits attached thereto, as subsequently amended, of Full Gospel Church of Deliverance, Newport News, Virginia ("Full Gospel") located at 3610 Huntington Avenue, Newport News, Virginia 23607, 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 Full Gospel 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: Full Gospel is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and benevolent purposes; Full Gospel intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $600,000 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 Full Gospel 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 Full Gospel 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. SEC940140
DECEMBER 13, 1994

APPLICATION OF
NORTHERN CALIFORNIA PRESBYTERIAN HOMES, INC.

For a Certificate of Exemption pursuant to § 13.1-514.1.B of the Code of Virginia

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application, with exhibits attached thereto, of Northern California Presbyterian Homes, Inc. ("NCP Homes"), dated November 14, 1994, requesting that a determination 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: NCP Homes is a non-profit public benefit corporation organized under the laws of the State of California for charitable purposes. NCP Homes intends to issue First Mortgage Bonds, Series 1994 in the aggregate principal amount of twelve million dollars ($12,000,000.00) subject to terms and conditions as more fully described in the Prospectus dated December 1, 1994 and submitted with the written application.

THE COMMISSION, based on the facts asserted by Northern California Presbyterian Homes, Inc. in the written application and exhibits, is of the opinion and finds and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1.B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and shall be offered and sold in Virginia only by broker-dealers so registered under the Securities Act.

CASE NOS. SEC940141, SEC940142, and SEC940143
DECEMBER 21, 1994

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
QUARTER CALL, INC.,
JOHN GLENN KENDALL,
and
TOM C. YOST,
Defendants

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendants, Quarter Call, Inc. ("QCI"), John Glenn Kendall and Tom C. Yost, 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, QCI, John Glenn Kendall and Tom C. Yost, offered for sale and sold in the Commonwealth unregistered, non-exempt securities, to wit: the QCI "Purchase Order Agreement" and the QCI "Purchase Agreement/Telephone Equipment Lease Agreement," which constitute securities in the form of investment contracts, (ii) in violation of Virginia Code § 13.1-504A, John Glenn Kendall and Tom C. Yost transacted business in the Commonwealth as unregistered agents for QCI (iii) in violation of Virginia Code § 13.1-504B, QCI employed six unregistered agents, and (iv) in violation of Virginia Code § 13.1-502(2), QCI, John Glenn Kendall and Tom C. Yost, failed to disclose material facts to prospective purchasers of securities, including such things as the sanctions imposed against QCI, John Glenn Kendall and Tom C. Yost by securities administrators of other states and the criminal record of QCI vice-president, Tom C. Yost. The Defendants neither admit nor deny these allegations, but admit 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 them, the Defendants have offered, and agreed to comply with, the following terms and undertakings:

(1) QCI, John Glenn Kendall and Tom C. Yost, 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) John Glenn Kendall and Tom C. Yost will be permanently enjoined from transacting business in this Commonwealth as agents in violation of Virginia Code § 13.1-504A;

(3) QCI will be permanently enjoined from employing unregistered agents in violation of Virginia Code § 13.1-504B;

(4) QCI, John Glenn Kendall and Tom C. Yost will be permanently enjoined from directly or indirectly violating Virginia Code § 13.1-502 in the offer or sale of a security; and,

(5) The U. S. Securities and Exchange Commission ("SEC") has instituted an action against QCI, John Glenn Kendall and Tom C. Yost seeking an accounting, disgorgement, penalties and freeze of assets as to the individual Defendants (See SEC Litigation Release No. LR-14099), and the Defendants will

submit to the Division an affidavit detailing the terms of the settlement with the SEC, including the status of the proceedings for disgorgement of assets, and stating that the SEC has been informed of all Virginia investors in QCI.

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, noting that the Division did not seek the imposition of monetary penalties against the Defendants due to the SEC action cited above.

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, John Glenn Kendall and Tom C. Yost are permanently enjoined from violating the provisions of Virginia Code § 13.1-502, § 13.1-504A, or § 13.1-507;

(4) That, pursuant to Virginia Code § 13.1-519, QCI is permanently enjoined from violating the provisions of Virginia Code § 13.1-502, § 13.1-504B or § 13.1-507;

(5) That the aforementioned affidavit submitted contemporaneously with the entry of this order is accepted and that it become a part of this Order; and,

(6) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC940144
DECEMBER 16, 1994

APPLICATION OF
THE FIDELITY INVESTMENTS CHARITABLE GIFT FUND'S POOLED INCOME 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 November 23, 1994, as subsequently amended, with exhibits attached thereto, of The Fidelity Investments Charitable Gift Fund's Pooled Income Fund (the "Fund"), requesting that interests in the Fund be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that certain individuals who solicit gifts to the Fund be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: the Fund was established by The Fidelity Investment Charitable Gift Fund ("Fidelity"), a Massachusetts trust formed not for private profit but exclusively for charitable purposes; the Fund is a pooled income fund within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986; gifts to the Fund will be solicited by representatives of the Fund and registered representatives of duly registered broker-dealers; and, no commissions or other remuneration will be paid or given, directly or indirectly, in connection with the solicitation of gifts to the Fund.

THE COMMISSION, based on the facts asserted by the Fund in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1.B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the Fund's representatives who solicit on behalf of the Fund be, and they hereby are, exempted from the agent registration requirement of said Act.

CASE NO. SEC940145
DECEMBER 20, 1994

APPLICATION OF
THE INTERNATIONAL PENTECOSTAL HOLINESS CHURCH EXTENSION LOAN FUND, INC.

For an Order of Exemption under § 13.1-514.1.B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated December 5, 1994, with exhibits attached thereto as subsequently amended, of The International Pentecostal Holiness Church Extension Loan Fund, Inc. (the "Fund"), requesting that the securities that the Fund proposes to issue be exempted from the securities registration requirements of the Securities Act (Code of Virginia (1950), Title 13.1, Chapter 5) and that the Fund's officers be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: The Fund is a not-for-profit corporation organized under the laws of the State of Oklahoma exclusively for charitable, benevolent, religious, educational or scientific purposes;

the Fund intends to offer and sell Savings Certificates and Fixed Rate Certificates to members of, contributors to, participants in and affiliates of the International Pentecostal Holiness Church in an approximate aggregate amount of $12,000,000 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 the Fund's officers who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by the Fund in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code § 13.1-514.1.B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act, and the Fund's officers be, and they hereby are, exempted from the agent registration requirements of said Act.

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 1993 and 1994.

VIRGINIA CORPORATIONS

	1993	1994
Certificates of Incorporation issued	17,216	19,150
Corporations voluntarily terminated	962	1,450
Corporations involuntarily terminated	928	269
Corporations automatically terminated	12,340	13,036
Reinstatements of terminated corporations	2,026	2,035
Charters amended	2,616	2,904
Active Stock Corporations	120,182	125,585
Active Non-Stock Corporations	22,146	23,032
Total Active Virginia Corporations	142,328	148,617

FOREIGN CORPORATIONS

Certificates of Authority to do business in Virginia issued	3,493	3,759
Voluntary withdrawals from Virginia	384	504
Certificates of Authority automatically revoked	2,104	2,200
Certificates of Authority involuntarily revoked	12	37
Reentry of corporations with surrendered or revoked certificates	338	364
Charters amended	945	909
Active Stock Corporations	25,862	26,950
Active Non-Stock Corporations	1,555	1,585
Total Active Foreign Corporations	27,417	28,535
Total Active (Foreign and Domestic) Corporations	169,745	177,152

LIMITED PARTNERSHIPS

Limited Partnership Certificates filed	1,233	1,336
Limited Partnership Certificates amended	687	804
Limited Partnership Certificates cancelled	348	398
Total active Limited Partnerships	9,087	9,920

LIMITED LIABILITY COMPANIES

Articles of Organization filed	1,733	2,963
Articles of Organization amended	57	134
Articles of Organization cancelled	39	86
Total Active Limited Liability Companies	2,518	5,396

MOTOR CARRIER DIVISION

BROKERS' LICENSES ISSUED DURING 1994

Name	Location	Certificate Number
Prison Visitation Project, Inc.	Richmond, Virginia	B-156
"GRUP" Opportunity Travel Service, Inc.	Franklin, Virginia	B-155
Julian Travel Associates, Inc.	Alexandria, Virginia	B-154
Thomas G. Jorgensen	Charlottesville, Virginia	B-153

COMMON CARRIERS OF PASSENGERS BY MOTOR VEHICLE

Certificates of Public Convenience and Necessity issued during 1994

Name	Location	Certificate Number
Franklin Charter Bus Inc. Regular Route	Fairfax, Virginia	P-2604
Tri State Casino Tours, Inc. of Virginia Regular Route	Manassas, Virginia	P-2603
V. I. P. & Celebrity Limousines, Inc. Regular Route	Norfolk, Virginia	P-2602
C & T Transportation, Inc. Irregular Route	Norfolk, Virginia	P-2600
Yellow Cab Co. of Charlottesville Irregular Route	Charlottesville, Virginia	P-2599

EXECUTIVE SEDAN CARRIERS

Certificates of Public Convenience and Necessity issued during 1994

Name	Location	Certificate Number
Classic Coaches Limousine Service, Inc.	Manassas, Virginia	XS-127
Executive Sedan Management Services, Inc.	Kensington, Maryland	XS-126
James H. Giles, Jr.	Franklin, Virginia	XS-125
Robert T. Carter	Alexandria, Virginia	XS-124
Saul Judah	Burke, Virginia	XS-123
Fouad El Gourchal	Alexandria, Virginia	XS-122
Aardvark Transportation Services, Inc.	Annandale, Virginia	XS-121
Silco, Inc.	Fairfax, Virginia	XS-120
Welch Services, Inc.	Arlington, Virginia	XS-119
Ronald W. Hale	Mechanicsville, Virginia	XS-117
Lloyd R. Meacham, t/a JES Transportation	Mechanicsville, Virginia	XS-118
Ground Transportation Specialists, Inc.	Chesapeake, Virginia	XS-116
Sabri M. Ghannam	Fairfax, Virginia	XS-115
The McLean Limousine Co.	Vienna, Virginia	XS-114
Washington Coach Company	McLean, Virginia	XS-113
Arlington Limousine Service, Inc.	Falls Church, Virginia	XS-112
Signature Travel & Limousine Service Inc.	Woodbridge, Virginia	XS-110
Signature Limousines, Inc.	Woodbridge, Virginia	XS-109
Supreme Limousine Service, Inc.	Waldolf, Maryland	XS-108
Paul A. Davis, Jr.	Falls Church, Virginia	XS-107
Aziz Radouani	Alexandria, Virginia	XS-106
Dorene Shaffer, t/a Shaffer Sedan Service	Nokesville, Virginia	XS-105
Joseph H. Aylor, Jr.	Annadale, Virginia	XS-104

HOUSEHOLD GOODS CARRIERS

Certificates of Public Convenience and Necessity issued during 1994

Name	Location	Certificate Number
Kloke Movers, Inc.	Richmond, Virginia	HG-482
Regency Moving and Storage Company, Inc.	Springfield, Virginia	HG-481
Office Movers, Inc.	Baltimore, Maryland	HG-480
Covan World-Wide Moving, Inc.	Woodbridge, Virginia	HG-479

LIMOUSINE CARRIERS

Certificates of Public Convenience and Necessity issued during 1994

Name	Location	Certificate Number
Howell Limousine Service, Inc.	Washington, D.C.	LM-305
Absolute Limo and Ticket Service, Inc.	Fairfax, Virginia	LM-304
Morris Moses, Jr.	Chesterfield, Virginia	LM-303

Randy Eugene Woodward	Charlottesville, Virginia	LM-302
Hoar-Hakenson Leasing Company	Alexandria, Virginia	LM-301
Paul A. Bulifant	Colonial Heights, Virginia	LM-300
Professional Limo Service, Inc.	Waynesboro, Virginia	LM-299
Washington Coach Company	McLean, Virginia	LM-298
Capital Limousine, Inc.	Alexandria, Virginia	LM-297
Elegant Limousine Service, Inc.	Lorton, Virginia	LM-296
Elegant Transport, Inc.	Virginia Beach, Virginia	LM-295
Executive Limousines, Inc.	Charlottesville, Virginia	LM-294
Personal Limousine Excursions, Inc.	Richmond, Virginia	LM-293
Apple Valley Limo, L.C.	Stephens City, Virginia	LM-292
Raymond H. Harmon, t/a Fredericksburg Limousine	Fredericksburg, Virginia	LM-291
K & J Limousine Service, Inc.	Lynchburg, Virginia	LM-290
Metropolitan Limousine Service, Inc.	Annandale, Virginia	LM-289
Tae Goom Kim	Lorton, Virginia	LM-288
Aardvark Transportation Services, Inc.	Annandale, Virginia	LM-287
Jean M. Tarver, t/a J S T Limo	Reston, Virginia	LM-286
Thomas A. Imeson, t/a Tom's Limo Service	Virginia Beach, Virginia	LM-285
Capitol Drivers Rental Service, Inc.	Arlington, Virginia	LM-284
USA Transportation, Inc.	Richmond, Virginia	LM-283
Donna M. Billups	Covington, Virginia	LM-282
Walter G. Thompson, t/a T & T and Associates Limo Service	Clinton, Maryland	LM-281
David Eric Moody	Hampton, Virginia	LM-280
Hollywood Limousines Inc.	Virginia Beach, Virginia	LM-279
Gulfstream Limousine Company	Richmond, Virginia	LM-278
Bruce E. Howell	Chesapeake, Virginia	LM-277
Supreme Limousine Service, Inc.	Waldolf, Maryland	LM-276
Charles Henry Nelson, Sr., t/a Nelson's Limousine Service	Beltsville, Maryland	LM-275
Sardar A. Tokhi, t/a Express Limousine and Sedan Service	Falls Church, Virginia	LM-274
Security Plus, Inc.	Virginia Beach, Virginia	LM-273

PETROLEUM TANK TRUCK CARRIERS

Certificates of Public Convenience and Necessity issued during 1994

Name	Location	Certificate Number
Piedmont Transportation, Inc.	Chatham, Virginia	K-143
J & P Transport, Inc.	Wytheville, Virginia	K-142

SIGHT-SEEING AND CHARTER PARTY CARRIERS BY BOAT

Certificates of Public Convenience and Necessity issued during 1994

Name	Location	Certificate Number
Adventure Cruises, Inc.	Richmond, Virginia	SS-W-52
Erin Kay Charters, Inc.	Gloucester Point, Virginia	SS-W-51
Linwood A. Martens, t/a Rainbow Charter	Virginia Beach, Virginia	SS-W-50

SPECIAL OR CHARTER PARTY CARRIERS

Certificates of Public Convenience and Necessity issued during 1994

Name	Location	Certificate Number
Fairfax Coach Lines, Inc.	Fairfax Station, Virginia	B-421
Gulfstream Limousine Company	Richmond, Virginia	B-420
Quality Tour Transport, Inc.	Falls Church, Virginia	B-419
Reston Limousine and Travel Service, Inc.	Herndon, Virginia	B-418
Bob Hume	Harrisonburg, Virginia	B-417
Washington Dulles Transportation, Ltd.	Arlington, Virginia	B-416
Great American Vacations, Inc.	Roanoke, Virginia	B-415
Linkous Christian Tours, Inc.	Roanoke, Virginia	B-414
Laidlaw Transit (Virginia) Inc.	Fairfax, Virginia	B-413
Norfolk Motor Coach, Ltd.	Norfolk, Virginia	B-412
D.A.Y. Enterprises, Inc.	Lorton, Virginia	B-411
Sun Line of Virginia, Inc.	Sandston, Virginia	B-410

Boston Coach-Washington Corp.	Fairfax, Virginia	B-409
Better Business Connection, Inc., t/a BBC Express	Sterling, Virginia	B-408
Yellow Cab Co. of Charlottesville	Charlottesville, Virginia	B-407

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 1993, AND JUNE 30, 1994

General Fund	1993	1994	Difference
Security Registration Fee	$12,100.00	$10,300.00	-$1,800.00
Charter Fees	1,224,376.40	1,339,465.00	+115,088.60
Entrance Fees	1,006,512.20	1,134,109.00	+127,596.80
Filing Fees	714,300.00	748,904.00	+ 34,604.00
Registered Name	1,296.00	1,214.00	-82.00
Registered Office and Agent	173,310.00	174,718.00	+1,408.00
Service of Process	30,540.00	20,640.00	-9,900.00
Copy & Recording Fees	258,261.00	392,931.92	+134,670.92
Annual Report Publication	7,835.00	4,982.00	-2,853.00
Uniform Commercial Code Revenues	827,462.01	755,738.99	-71,723.02
Excess Fees Paid into State Treasury	103,685.76	95,722.37	-7,963.39
TOTAL	$4,359,678.37	$4,678,725.28	+$319,046.91
Special Fund			
Domestic-Foreign	$13,153,409.56	$13,570,346.56	+$416,937.00
Limited Partnership Registration Fee	319,450.00	348,570.00	+29,120.00
Reserved Name - Limited Partnership	27,465.00	32,470.00	+5,005.00
Certificate Limited Partnership	108,900.00	111,600.00	+2,700.00
Application Reg. Foreign L. P.	21,500.00	25,400.00	+3,900.00
Registration Fee LLC	15,950.00	70,700.00	+54,750.00
Application for Reg. LLC	400.00	3,900.00	+3,500.00
Art. of Org. Dom. LLC	123,175.00	220,510.00	+97,335.00
AJD, CANC, CORR. RAC, Etc. LLC	3,436.00	6,225.00	+2,789.00
SCC Bad Check Fee	5,729.10	5,792.12	+63.02
Interest on Del. Tax	26.00	1.30	-24.70
Penalty on Non-Pay Taxes by Due Date	435,301.50	358,737.19	-76,564.31
Miscellaneous Revenue	50,189.54	14,894.94	-35,294.60
TOTAL	$14,264,931.70	$14,769,147.11	+$504,215.41
Valuation Fund			
Recovery of Copy & Cert. Fee	$4,219.50	$6,173.85	+$1,954.35
Recovery of Prior Year Expenses	6,782.54	564.88	-6,217.66
TOTAL	$11,002.04	$6,738.73	-$4,263.31
Motor Carrier Special Fund			
SCC Bad Chk. Fee	$0.00	$130.00	+$130.00
Recovery of Prior Year Expenses	0.00	29.90	+29.90
TOTAL	$0.00	$159.90	+$159.90
Trust & Agency Fund			
Fines Imposed by SCC	$215,851.76	$6,000.00	-$209,851.76
TOTAL	$215,851.76	$6,000.00	-$209,851.76
Federal Funds			
Receipt of Agency Indirect Cost of Grant/Contract Administration	$35,038.00	$6,631.00	-$28,407.00
Gas Pipeline Safety	120,395.00	120,946.00	+551.00
TOTAL	$155,433.00	$127,577.00	-$27,856.00
GRAND TOTAL	$19,006,896.87	$19,588,348.02	+$581,451.15

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 1993, AND 1994

	1992/1993	1993/1994
Banks	$4,476,407	$5,554,489
Savings Institutions	158,830	24,097
Consumer Finance Licensees	715,841	416,947
Credit Unions	377,025	393,985
Trust Subsidiaries and Trust Companies	98,822	71,713
Industrial Loan Associations	20,794	31,450
Money Order Sellers Licensees	5,050	4,400
Debt Counseling Agency Licensees	3,900	6,300
Mortgage Lenders and Brokers	799,811	723,419
Miscellaneous Collections	29,867	2,853
TOTAL	$6,686,347	$7,229,653

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 1993, AND JUNE 30, 1994

Kind	1993	1994	Increase or (Decrease)
General Fund			
Gross Premium Taxes of Insurance Companies	$180,304,705.00	$196,416,402.91	$16,111,697.91
Fraternal Benefit Societies Licenses	520.00	500.00	(20.00)
Hospital, Medical, and Surgical Plans & Salesmen's Licenses	59,630.00	51,750.00	(7,880.00)
Interest on Delinquent Taxes	124,531.00	1,265.72	(123,265.28)
Penalty on non-payment of taxes by due date	199,523.00	73,177.39	(126,345.61)
Special Fund			
Company License Application Fee	14,000.00	14,000.00	0.00
Prepaid Legal Service License Fee	0.00	0.00	0.00
Health Maintenance Organization License Fee	500.00	500.00	0.00
Automobile Club/Agent Licenses	7,366.00	7,704.00	338.00
Insurance Premium Finance Companies Licenses	11,900.00	12,300.00	400.00
Agents Appointment Fees	5,065,260.00	5,365,070.00	299,810.00
Surplus Lines Broker Licenses	14,825.00	13,775.00	(1,050.00)
Agents License Application Fees	249,555.00	259,995.00	10,440.00
Recording, Copying, and Certifying Public Records Fee	32,360.00	47,337.01	14,977.01
Assessments to Insurance Companies for Maintenance of the Bureau of Insurance	7,169,984.00	6,682,583.87	(487,400.13)
Miscellaneous Revenues	164.00	0.19	(163.81)
Recovery of Prior Year Expenses	120,994.00	32,350.19	(88,643.81)
Fire Programs Fund	8,367,674.00	8,718,677.58	351,003.58
Licensing P&C Consultants	35,000.00	38,450.00	3,450.00
SCC Bad Check Fee	75.00	25.00	(50.00)
Fines Imposed by State Corporation Commission	616,403.00	1,137,283.00	520,880.00
Private Review Agents	24,500.00	13,000.00	(11,500.00)
Flood Assessment Fund	86,178.00	151,393.72	65,215.72
Heat Assessment Fund	679,194.00	682,943.46	3,749.46
Reinsurance Intermediary Broker Fees	1,000.00	2,500.00	1,500.00
Reinsurance Intermediary Manager Fees	0.00	500.00	500.00
Managing General Agent Fees	0.00	3,500.00	3,500.00
Bank Conversion Investigation Fee	3,000.00	0.00	(3,000.00)
State Publication Sales	150.00	720.00	570.00
TOTAL	$203,188,991.00	$219,727,704.04	$16,538,713.04

COMPARISON OF FEES AND TAXES COLLECTED FROM MOTOR VEHICLE CARRIERS FOR THE YEARS ENDING DECEMBER 31, 1993, AND DECEMBER 31, 1994

Kind	1993	1994	Increase or (Decrease)
Motor Fuel Road Tax	$24,665,772.39	$25,030,368.64	+$364,596.25
Registration Fees	5,340,156.87	7,845,350.00	+2,505,193.13
TOTAL	$29,120,878.39	$32,875,718.64	+$2,869,789.38

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1993 AND 1994

	Value of all Taxable Property Including Rolling Stock		
Class of Company	1993	1994	Increase or (Decrease)
Electric Light & Power Corporations	$12,840,715,240.00	$13,247,839,195.00	$407,123,955.00
Gas Corporations	861,231,212.00	924,793,780.00	63,562,568.00
Motor Vehicle Carriers (Rolling Stock only)	74,683,509.11	85,983,686.59	11,300,177.48
Telecommunications Companies	6,311,149,429.00	6,562,313,922.00	251,164,493.00
Water Corporations	101,933,695.00	101,019,779.00	(913,916.00)
TOTAL	$20,189,713,085.11	$20,921,950,362.59	$732,237,277.48

COMPARISON OF ASSESSMENT OF STATE TAXES OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1993 AND 1994

	The Yearly License Tax		
Class of Company	1993	1994	Increase or (Decrease)
Electric Light & Power Corporations	$81,148,343.34	$91,966,466.46	$10,818,123.12
Gas Corporations	11,899,268.58	13,907,227.14	2,007,958.56
Water Corporations	658,402.15	714,465.92	56,063.77
TOTAL	$93,706,014.07	$106,588,159.52	$12,882,145.45

COMPARISON OF ASSESSMENT OF ADDITIONAL ANNUAL STATE TAX FOR VALUATION AND RATE MAKING OF CERTAIN CLASSES OF UTILITY COMPANIES FOR THE YEARS 1993 AND 1994

Class of Company	1993	1994	Increase or (Decrease)
Electric Light & Power Corporations	$4,710,175.83	$5,224,698.46	$514,522.63
Gas Corporations	595,293.73	695,411.37	100,117.64
Motor Vehicle Carriers	53,741.18	50,928.55	(2,812.63)
Railroad Companies	577,936.93	568,142.50	(9,794.43)
Telecommunications Companies	2,312,430.31	2,498,676.82	186,246.51
Virginia Pilots Association	11,964.49	10,297.78	(1,666.71)
Water Corporations	32,920.14	35,723.34	2,803.20
TOTAL	$8,294,462.61	$9,083,878.82	$789,416.21

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	1993	1994	Increase or Decrease
Alexandria	$464,280,290	$464,332,865	$52,575
Bedford	7,648,119	7,733,656	85,537
Bristol	10,091,715	10,251,010	159,295
Buena Vista	8,871,814	7,938,174	(933,640)
Charlottesville	84,451,821	89,016,814	4,564,993
Chesapeake	588,141,861	607,015,228	18,873,367
Clifton Forge	7,584,971	7,051,496	(533,475)
Colonial Heights	22,422,945	24,126,340	1,703,395
Covington	15,309,931	17,436,278	2,126,347
Danville	42,687,590	43,189,607	502,017
Emporia	17,891,175	17,373,064	(518,111)
Fairfax	82,790,408	89,077,364	6,286,956
Falls Church	17,631,883	16,660,923	(970,960)
Franklin	8,849,528	7,978,061	(871,467)
Fredericksburg	44,256,819	46,645,281	2,388,462
Galax	10,222,419	10,353,577	131,158
Hampton	217,950,164	224,634,836	6,684,672
Harrisonburg	33,440,894	34,178,548	737,654
Hopewell	65,399,950	61,240,499	(4,159,451)
Lexington	10,288,354	9,682,823	(605,531)
Lynchburg	132,041,092	133,429,394	1,388,302
Manassas	52,121,656	45,753,952	(6,367,704)
Manassas Park	8,121,435	8,309,512	188,077
Martinsville	24,997,232	23,842,027	(1,155,205)
Newport News	285,386,752	281,679,004	(3,707,748)
Norfolk	434,549,628	456,884,794	22,335,166
Norton	23,662,105	24,189,183	527,078
Petersburg	72,461,517	73,920,459	1,458,942
Poquoson	9,913,738	10,030,006	116,268
Portsmouth	131,878,581	143,407,645	11,529,064
Radford	13,861,853	12,937,895	(923,958)
Richmond	611,955,267	633,766,768	21,811,501
Roanoke	179,541,327	189,696,538	10,155,211
Salem	22,056,542	23,020,282	963,740
South Boston	14,208,183	14,064,795	(143,388)
Staunton	43,089,746	43,333,565	243,819
Suffolk	109,078,316	116,406,637	7,328,321
Virginia Beach	564,559,041	592,014,805	27,455,764
Waynesboro	30,744,993	36,267,467	5,522,474
Williamsburg	32,146,351	34,786,731	2,640,380
Winchester	41,556,934	41,917,247	360,313
Total Cities	$4,598,144,940	$4,735,575,150	$137,430,210

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	1993	1994	Increase or Decrease
Accomack	$64,563,247	$65,102,410	$539,163
Albemarle	158,353,739	161,758,296	3,404,557
Alleghany	33,416,761	35,722,062	2,305,301
Amelia	12,595,746	19,743,801	7,148,055
Amherst	47,785,897	49,195,739	1,409,842
Appomattox	19,766,014	20,553,946	787,932
Arlington	787,265,280	808,350,701	21,085,421
Augusta	134,620,077	134,273,931	(346,146)
Bath	1,589,629,603	1,495,803,547	(93,826,056)

Bedford	104,340,403	103,822,030	(518,373)
Bland	10,997,114	11,101,794	104,680
Botetourt	87,923,476	89,002,983	1,079,507
Brunswick	25,200,468	36,430,340	11,229,872
Buchanan	50,725,084	51,418,433	693,349
Buckingham	31,754,268	30,803,498	(950,770)
Campbell	105,565,190	104,941,571	(623,619)
Caroline	60,135,374	81,777,447	21,642,073
Carroll	51,872,666	48,125,888	(3,746,778)
Charles City	25,964,418	26,598,613	634,195
Charlotte	21,466,956	21,870,147	403,191
Chesterfield	1,072,855,304	1,119,369,700	46,514,396
Clarke	21,160,498	25,134,918	3,974,420
Craig	7,491,966	10,377,026	2,885,060
Culpeper	74,208,337	74,503,690	295,353
Cumberland	19,453,194	22,565,544	3,112,350
Dickenson	35,168,624	35,897,346	728,722
Dinwiddie	54,572,211	57,741,777	3,169,566
Essex	18,480,499	20,687,663	2,207,164
Fairfax	1,884,368,753	1,958,477,225	74,108,472
Fauquier	116,216,883	141,479,794	25,262,911
Floyd	22,715,138	22,414,821	(300,317)
Fluvanna	89,821,212	116,102,966	26,281,754
Franklin	71,391,262	73,948,487	2,557,225
Frederick	154,981,419	160,466,950	5,485,531
Giles	91,435,542	106,386,907	14,951,365
Glouchester	60,176,903	68,422,937	8,246,034
Goochland	40,900,837	42,619,670	1,718,833
Grayson	23,344,899	24,643,765	1,298,866
Greene	15,548,217	15,948,686	400,469
Greensville	17,753,365	17,589,935	(163,430)
Halifax	397,049,214	480,349,506	83,300,292
Hanover	196,174,711	199,795,018	3,620,307
Henrico	585,312,121	642,115,742	56,803,621
Henry	84,635,786	85,934,998	1,299,212
Highland	11,337,283	16,202,230	4,864,947
Isle of Wight	69,385,575	71,284,890	1,899,315
James City	106,385,968	113,506,257	7,120,289
King George	27,647,780	32,641,841	4,994,061
King and Queen	12,035,303	12,858,547	823,244
King William	24,056,777	26,533,004	2,476,227
Lancaster	24,693,779	30,271,591	5,577,812
Lee	51,497,589	51,416,831	(80,758)
Loudoun	275,888,847	291,992,805	16,103,958
Louisa	1,713,966,145	1,771,739,589	57,773,444
Lunenburg	19,676,964	20,535,382	858,418
Madison	20,946,862	21,074,796	127,934
Mathews	18,058,750	17,593,678	(465,072)
Mecklenburg	72,281,790	72,364,505	82,715
Middlesex	22,805,346	24,064,993	1,259,647
Montgomery	85,238,567	89,832,887	4,594,320
Nelson	37,179,891	37,628,037	448,146
New Kent	36,406,074	37,254,851	848,777
Northampton	29,132,740	29,431,607	298,867
Northumberland	14,750,396	27,080,890	12,330,494
Nottoway	24,078,340	28,068,218	3,989,878
Orange	52,566,426	52,332,223	(234,203)
Page	39,904,674	42,482,875	2,578,201
Patrick	28,411,412	29,725,217	1,313,805
Pittsylvania	113,080,996	121,493,270	8,412,274
Powhatan	33,005,842	44,909,150	11,903,308
Prince Edward	27,761,043	29,371,489	1,610,446
Prince George	37,565,645	37,530,887	(34,758)
Prince William	759,611,077	797,589,345	37,978,268
Pulaski	71,404,199	75,932,430	4,528,231
Rappahannock	17,806,396	18,444,814	638,418
Richmond	35,156,454	36,522,606	1,366,152
Roanoke	131,657,857	142,579,163	10,921,306
Rockbridge	54,208,753	56,769,362	2,560,609
Rockingham	95,510,407	124,791,572	29,281,165
Russell	156,438,695	150,386,635	(6,052,060)

Scott	31,111,683	32,012,178	900,495
Shenandoah	67,035,406	69,140,930	2,105,524
Smyth	60,226,803	61,725,079	1,498,276
Southampton	34,304,312	36,401,381	2,097,069
Spotsylvania	145,208,473	147,647,795	2,439,322
Stafford	114,556,745	126,925,055	12,368,310
Surry	1,347,311,246	1,318,625,124	(28,686,122)
Sussex	25,849,569	33,034,638	7,185,069
Tazewell	60,687,912	62,329,607	1,641,695
Warren	36,592,604	41,999,156	5,406,552
Washington	61,812,237	64,349,145	2,536,908
Westmoreland	25,018,022	25,007,386	(10,636)
Wise	61,856,058	61,981,654	125,596
Wythe	64,870,132	62,792,057	(2,078,075)
York	449,744,116	452,809,626	3,065,510
Total Counties	$15,516,884,636	$16,100,391,526	$583,506,890
Total Cities & Counties	$20,115,029,576	$20,835,966,676	$720,937,100

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 1993, AND DECEMBER 31, 1994

Kind	1993	1994	Increase or (Decrease)
Securities Act	$4,715,165	$5,051,894	$336,729
Retail Franchising Act	277,100	284,700	7,600
Trademarks-Service marks	16,950	16,205	(745)
Fines	779,853	121,325	(658,528)
TOTAL	$5,789,068	$5,474,124	$(314,944)

PROCEEDINGS BY DIVISIONS DURING THE YEAR 1994

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 1994.

General Rate Cases	
Electric Companies (Investor Owned)	1
Electric Cooperatives	1
Gas Companies	2
Telephone Companies	0
Water and Sewer Companies	3
Miscellaneous	0
Total General Rate Cases	7
Expedited Rate Cases	
Electric Companies (Investor Owned)	1
Electric Cooperatives	0
Gas Companies	3
Telephone Companies	0
Water and Sewer Companies	0
Total Expedited Rate Cases	4
Certificate Cases	
Water and Sewer Companies	5
Annual Informational Filings	
Report Only	
Electric Companies (Investor Owned)	2
Gas Companies	0
Telephone Companies	16
Water and Sewer Companies	0
Total Annual Informational Filings	18
Annual Informational Filings/Rate Cases	
Gas Companies	1
Allocation/Separations Studies	
Electric Companies (Investor Owned)	0
Gas Companies	0
Telephone Companies	6
Water and Sewer Companies	0
Total Allocation/Separation Studies	6
Fuel Audits-Electric Companies	7
Compliance Audits	4
Special Studies	8

During the year 1994 the Division of Public Utility Accounting received applications filed under the Public Utilities Affiliates Law and the Transfers Act pertaining to public utilities for processing, analysis, and study. The number and type of written reports submitted to the Commission recommending action and orders drawn are as follows:

Number of Utility Transfer Act Cases	
Transfer of Assets	12
Transfer of Securities or Control	4
Number of Affiliates Act Cases	
Service Agreements	12
Lease Agreements	3
Gas Purchases/Supply	3
Advances of Funds	4
Aircraft Agreements	2
Total Number of Cases	40

The Commission's Division of Public Utility Accounting consisted of the following personnel on December 31, 1994:

Filled	Vacant	Description
1		Director
3		Deputy Director
1	1	Manager of Audits
1		Administrative Manager, Public Utilities
1		Administrative Manager
1		Systems Manager
1		Senior Office Secretary
1		Senior Office Technician
7		Principal Public Utility Accountant
3	1	Senior Public Utility Accountant
5	3	Associate Public Utility Accountant
25	5	Total Authorized 30

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 all rates, tariffs, and operating procedures of communications utilities, specifically telephone, cellular, and radio common carrier utilities. The Division enforces service standards, assures compliance with tariff regulations, 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 1994 ACTIVITIES

Consumer complaints and protests investigated	1,231
Telephone inquiries received	1,301
Tariff revisions received	229
Tariff sheets filed	3,391
Cases in which staff members prepared testimony or reports	21
Number of staff testimonies or reports prepared	22
Certificates of Convenience and Necessity granted or amended	134
Depreciation studies completed	2
Attended Community hearings on local calling	12
Extended Area Services studies completed or underway	14
Service Surveillance and Results Analysis Provided	
Monthly on:	
Access Lines	3,860,000
Switching Offices	429
Business Offices	20
Repair Centers	7
Pay Telephone Registration and Rules Enforcement provided on:	
Registered private pay telephone providers	450
Private pay telephones	9,180
LEC pay telephones	ALL
Pay telephone audits	239
Visits to:	
Customer premises to resolve customer complaints	1
Company premises to resolve customer complaints	2
Company premises to review service performance	12
Company premises to inspect network reliability	6
Community meetings to resolve service issues	2
Construction Program reviews	3

OTHER:

Pursued various activities related to the Commission's modified plan 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

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.

Prepared two formal responses to Federal Communications Commission Public Notices.

Furnished annual verification information to the Federal Communications Commission to recertify eligibility for the Virginia Universal Service Plan, which provides assistance for low income telephone customers.

Responded to questionnaires from NARUC and others with respect to telecommunications matters.

Assisted Commission counsel with respect to formal rate, service or generic matters.

Reviewed construction budgets of major telephone companies for 1994-1998 period.

Met with local governing bodies and citizens groups with respect to local calling areas and service problems.

Director reappointed to the NARUC Staff subcommittee on Communications.

Staff member reappointed to the NARUC Staff subcommittee on Depreciation.

Staff member appointed to the NARUC Staff subcommittee on Communications.

Staff member reappointed to the NARUC Staff subcommittee on Service Quality.

Worked with Virginia Department for the Deaf and Hard of Hearing on monitoring of Telecommunications Relay Service in Virginia.

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 Commissions.

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 cases;
- monitoring the financial condition of Virginia utilities;
- reviewing annual financing plans of Virginia utilities;
- analyzing utility applications for the issuance of securities and providing the Commission with recommendations;
- conducting studies of intermediate/long range issues in electric, gas, and telecommunications utility regulations;
- acquiring and running analytic computer models used to simulate, project, and/or evaluate utility operations and regulatory issues;
- issuing quarterly economic and energy forecast reports;
- monitoring interLATA telecommunications competition;
- monitoring the local exchange companies participating in the Experimental Plan for Alternative Regulation;
- monitoring and maintaining files of electric utilities' Ten Year and Twenty Year Forecasts;
- monitoring and maintaining files of gas utilities' Five Year Forecasts;
- providing statistical and graphic support for other SCC Divisions; and
- maintaining database management systems for preparation of economic and financial analysis in utility cases.

SUMMARY OF MAJOR ACTIVITIES DURING 1994

- Presented testimony on capital structure, cost of capital, and other financial issues in four rate cases.
- Completed Annual Informational Filing reports for five telephone companies and seven electric or gas companies.
- Presented financial testimony in one gas company certificate case.
- Analyzed and processed 34 cases for utilities seeking authority to issue securities.
- Helped prepare a report recommending modification of electric cooperative rate case rules.
- Conducted audits of the actually competitive services for 1993 for each of the five local telephone companies in the Experimental Plan for Alternative Regulation.
- Prepared and presented testimony for the investigation of telephone regulatory methods for local telephone companies.
- Helped prepare an interim report in the investigation of Dominion Resources, Inc. and Virginia Power.

- Prepared a report or testimony in filings by four electric utilities and two gas utilities for approval of demand-side management programs.
- Prepared a report or testimony in five fuel factor proceedings.
- Prepared a report or testimony in two cogeneration rate proceedings.
- Prepared a report on the 1994 Ten Year Forecasts of electric utilities in Virginia.
- Prepared a report on the 1993 Five Year Forecasts of gas utilities in Virginia.
- Reviewed the demand forecasting techniques of gas utilities in Virginia.
- Prepared testimony for the Commission's consideration of Section 115 standards for gas utilities under the Energy Policy Act of 1992.
- Participated in writing a Staff report addressing the reliability problems Virginia Power had during the severe cold weather of January 1994.
- Participated in an inter-agency work group addressing weatherization assistance for Virginia consumers.
- Presented testimony at a Commission hearing on Virginia Power's dispersed energy facilities proposal.
- 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.
- Provided statistical analysis in the NASDAQ-NMS Exemption project for the Division of Securities & Retail Franchising.
- Provided statistical analysis in an electric cooperative demand study between seasonal and residential classes for the Division of Energy Regulation.
- Established a database management system for the tracking of demand-side management issues in DSM programs of Virginia utilities.
- Prepared a research paper on electric utility risk premiums and presented it at a national regulatory conference.

DIVISION OF ENERGY REGULATION

Activities for Calendar Year 1994

The Division of Energy Regulation assists the Commission in fulfilling its statutory responsibilities pursuant to Title 56, Chapter 10 of the Code of Virginia. In that effort, the Division provides expert testimony relative to cost of service/rate design issues for electric, gas, and water/sewer utilities operating in the state. The Division also provides expert testimony in certificate cases for service areas and major facility construction for these utilities. The Division has monitoring responsibilities relative to: the collection of gas costs by gas utilities, the incurrence of wholesale purchased power expenses by electric cooperatives, the recovery of fuel expenses by investor-owned electric utilities, and the oversight of major facility construction by the investor-owned utilities. The Division also administers programs for: gas pipeline safety, the resolution of consumer complaints/inquiries, and the maintenance of official records/maps of utility certificated areas.

SUMMARY OF 1994 ACTIVITIES

Consumer Complaints, Letters of Protest, and Inquiries Received	2,218
Tariff Filings Received (including Purchased Gas Adjustments)	114
Tariff Sheets Filed	830
Gas Safety Inspections (Person Days)	367
Electric Fuel Adjustments and Electric Wholesale Power Cost Adjustments	144
Testimony and Reports Filed by Staff	33
Certificates of Public Convenience and Necessity Granted, Transferred, or Revised	14
Special Reports	30
Gas Accident Investigations and Incident Reports	28
Electric On-Site Construction Inspections	3

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 879 applications for various certificates of authority as shown below:

APPLICATIONS RECEIVED AND/OR ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 1994

Conversions from national to state charter banks	9
New Banks (1 new bank and 3 phantom banks)	4
Bank Branches	67
Bank Main Office Relocations	0
Bank Branch Office Relocations	4
Bank EFT Facilities	21
Bank Mergers	6
Independent Trust Companies (Relocations)	1
Acquisitions Pursuant to Chapter 13 of Title 6.1	8

Acquisitions Pursuant to Chapter 15 of Title 6.1	9
New Savings Banks	1
Savings Institution Branches (Relocation)	1
Acquisitions Pursuant to § 6.1-194.87 of the Virginia Code	0
Acquisitions Pursuant to § 6.1-194.40 of the Virginia Code	2
Acquisitions Pursuant to Chapter 3.01 Article 11 of the Virginia Code	0
Credit Union Mergers	1
Credit Union Service Facilities	17
New Consumer Finance Offices	20
Consumer Finance Other Businesses	69
Consumer Finance Office Relocations	17
New Mortgage Brokers	129
New Mortgage Lenders	55
New Mortgage Lenders and Brokers	26
Acquisitions Pursuant to § 6.1-416.1 of the Virginia Code	14
Mortgage Branches	217
Mortgage Office Relocations	165
New Money Order Seller	1
Debt Counseling Offices	14
Industrial Loan Association Relocations	1

At the end of 1994 there were under the supervision of the Bureau 130 banks with 1,040 branches, 45 Virginia bank holding companies, 11 non-Virginia bank holding companies owning Virginia banks, 3 savings institutions with 3 branches, 1 savings bank with 1 branch, 87 credit unions, 9 industrial loan associations, 32 consumer finance companies with 318 Virginia offices, 19 money order sellers, 7 non-profit debt counseling agencies, 54 mortgage lenders with 327 offices, 323 mortgage brokers with 408 offices, and 179 mortgage lender and brokers with 464 offices.

DIVISION OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 1994

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 1994 ACTIVITIES

New insurance companies licensed to do business in Virginia	31
Insurance company financial statements analyzed	4,261
Financial examinations of insurance companies conducted	50
Property and Casualty insurance rules, rates, and form submissions	5,856
Life and Health insurance policy forms and rate submissions	8,280
Property and Casualty insurance complaints received	4,435
Life and Health insurance complaints received	3,683
Market conduct examinations completed by the Life and Health Division	10
Market conduct examinations completed by the Property and Casualty Division	8
Agent qualification examinations given	9,459
Insurance agents and agencies licensed	83,988

MOTOR CARRIER DIVISION - AUDITS
CALENDAR YEAR 1994

Regular Accounts Audited	481
Regular Accounts Assessed	267
Total Assessments Paid	$915,295.56
Refund Accounts Audited	431
Refund Accounts Assessed	159
Total Amount Refunded	$5,456,597.89
Number of MCA Cases Initiated	66
Number of Cases Dismissed	4
Commission Penalties Imposed	$13,775.00

MOTOR CARRIER DIVISION - ENFORCEMENT
ANNUAL REPORT OF SPECIAL AGENTS' ACTIVITIES DURING 1994

Violations Handled through General District Courts	1,997
Fines Assessed by General District Courts	$92,546.00
Costs Assessed by General District Courts	$38,261.00
Reports Written on Commission Rule Violations	
22 Forms	2,224
Cases Processed (M and L)	1,855
Penalties Assessed	$268,410.00
Registration Receipts Issued	2,878
Fees Collected From Issuance of Receipts	$110,260.00
Complaints Investigated	273
Motor Carrier Insurance Expiration, Revocation, Suspension Investigations	7,918
Investigations for Other Divisions	10
Motor Carrier Safety Inspections	575
Certificate Applicant Investigations	75
Vehicles Inspected	20,153
Proof of Operations Inspections (ED-40)	8,608
Division of Motor Vehicles License Sold Through Special Agents' Involvement	23
Fees Collected from these Transactions (A portion of these fees went to other IRP jurisdictions.)	$9,031.00
Apprehensions of Operators with Outstanding Commission Judgments (Red List Operators)	82
Monies Collected From Operators with Outstanding Commission Judgments	$38,563.00
Apprehensions of Operators with Outstanding Liquidated Damages	73
Monies Collected From Operators with Outstanding Liquidated Damages	$42,572.00

MOTOR CARRIER DIVISION - OPERATIONS
REGISTRATIONS AND COLLECTIONS 1994

Registrations Freight by Carriers and number of vehicles registered:

FREIGHT CARRIERS

Contract Carriers Non Bulk (CC)		3,196
Contract Carriers Non Bulk	- vehicles registered	21,974
Contract Carriers Bulk (CB)		7,056
Contract Carriers Bulk	- vehicles registered	10,289
Exempt Carriers Intrastate (E)		996
Exempt Carriers Intrastate	- vehicles registered	2,607
Common Carriers of Freight (F)		27
Common Carriers of Freight	- vehicles registered	3,814

Household Goods Carriers (G)		182
Household Goods Carriers	- vehicles registered	1,700
Petroleum Carriers (K)		73
Petroleum Carriers	- vehicles registered	1,025
ICC Regulated Interstate Carriers (M)		26,215
ICC Regulated Interstate Carriers	- vehicles registered	508,072
ICC Exempt Carriers (X)		5,288
ICC Exempt Carriers	- vehicles registered	10,779
Private Freight Carriers (V)		20,630
Private Freight Carriers	- vehicles registered	104,885
Rental Permitted Carriers (R)		39
Rental Permitted Carriers	- vehicles registered	860
Virginia Private Leased Carriers (L)		772
Virginia Private Leased Carriers	- vehicles registered	2,852

PASSENGERS CARRIERS

Common Carriers (A)		45
Common Carriers	- vehicles registered	2,564
Charter Party Carriers (P)		131
Charter Party Carriers	- vehicles registered	978
Sight-Seeing Carriers (S)		6
Sight-Seeing Carriers	- vehicles registered	15
Limousine Carriers (B)		210
Limousine Carriers	- vehicles registered	397
Executive Sedan Carriers (N)		114
Executive Sedan Carriers	- vehicles registered	274
Taxi Cab Carriers (T)		2,697
Taxi Cab Carriers	- vehicles registered	4,032
Intrastate Exempt Carriers (I)		24
Intrastate Exempt Carriers	- vehicles registered	161
Employee Haulers (H)		162
Employee Haulers	- vehicles registered	388
ICC Regulated Interstate Carriers (M)		1,725
ICC Regulated Interstate Carriers	- vehicles registered	6,995

TOTALS

Total Vehicles Registered	684,661
Total Registration Fees Collected	$7,845,350.99
Total Motor Fuel Road Taxes Collected (gross)	$25,030,368.64
Total Motor Fuel Road Taxes Accounts	48,115
Operations and Tax Cases Initiated	361
Penalties Assessed	$87,650.00

RAILROAD REGULATION

The Division of Railroad Regulation investigates, at its own volition or upon complaint, rail service and compliance with rules, regulations, and rates by rail common carriers when intrastate aspects are involved; analyzes and handles applications for intrastate rate increases or alteration of service, together with all other rail tariff matters; and conducts inspection and surveillance of railroad tracks in State to provide for safe track maintenance in accordance with Federal Track Safety Standards as prescribed by the Federal Railroad Administration.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

The Division of Securities and Retail Franchising of the State Corporation Commission is charged with the administration of the following laws:

Virginia Securities Act (known as the "Blue Sky Law"), Virginia Code Sections 13.1-501 through 13.1-527.3.
Virginia Trademark and Service Mark Act, Virginia Code Sections 59.1-77 through 59.1-102.
Virginia Retail Franchising Act, Virginia Code Sections 13.1-557 through 13.1-574.

UNDER THE VIRGINIA SECURITIES ACT:

9	qualification applications received
1,507	coordination applications received
38	notification applications received
459	filings for exemption from registration (Reg. D)
1,697	broker-dealer registrations renewed and granted
71	broker-dealer registrations denied, withdrawn, and terminated
90,658	agent registrations renewed and granted
20,938	agent registrations denied, withdrawn, and terminated
1,332	investment advisor registrations renewed and granted
113	investment advisor registrations denied, withdrawn, and terminated
14,484	investment advisor representative registrations renewed and granted
999	investment advisor representative registrations denied, withdrawn, and terminated
48	orders filing and/or canceling surety bonds
38	orders granting exemptions and/or official interpretations
10	orders for subpoena of records by banks, corporations, and individuals
12	orders of show cause
92	judgments of compromise and settlement
35	final order and/or judgment

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

447	applications for trademarks and/or service marks approved, renewed, or assigned
455	applications for trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,592	franchise registration, renewal, or post-effective amendment applications received
185	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 Commerical 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 obligaiton. The Clerk's Office also is the Cental Filing Office for Federal Tax Liens.

SUMMARY OF CALENDAR YEAR ACTIVITIES

	1993	1994
Financing/Subsequent Statements Filed	68,397	72,960
Federal Tax Liens/Subsequent Liens Filed	6,820	4,857
Reels of Microfilmed documents sold	447	268

INDEX OF LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

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- V -

- W -

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LIST OF CASES ESTABLISHED IN 1994

BFI: BUREAU OF FINANCIAL INSTITUTIONS

BFI940001 Weyerhaeuser Mortgage Co.
To open an office at Capital Office Park 3, Suite 220, 6305 Ivy Lane, Greenbelt, MD

BFI940002 Crosstate Mortgage & Investment
To open an office at 1206 Laskin Road, VA Beach, VA

BFI940003 Town & Country Mortgage & Investment Corp.
To relocate office from 156 Maple Ave., Vienna, VA to 3018 Javier Rd., Fairfax, VA

BFI940004 Virginia Healthcare Finance Center, Inc.
To relocate office from 208 Golden Oak Court, VA Beach, VA to #2 Koger Center, Norfolk, VA

BFI940005 Countywide Funding Corporation
To open an office at 9722 Midlothian Turnpike, Suite G-9, Richmond, VA

BFI940006 Prudential Home Mortgage Corp.
To open an office at 3200 Robbins Road, Springfield, IL

BFI940007 Smith, Eric Drucker t/a Advantage Mortgage Co.
For a mortgage broker's license at 4414 Colley Avenue, Norfolk, VA

BFI940008 Lowery, Herbert C. d/b/a M & S Insurance & Financial
For a mortgage broker's license at 7124 Forest Hill Avenue, Suite H, Richmond, VA

BFI940009 Money Organization of Mid-Atlantic Inc.
For a mortgage broker's license at 1631 Colonial Way, Frederick, MD

BFI940010 Mortgage Acceptance Corp.
To relocate office from 130 N. Hamilton St., Suite 108 to Suite 201, Richmond, VA

BFI940011 F&M National Corporation
To convert to a state bank under the name of F&M Bank-Emporia

BFI940012 Farmers & Merchants National
To convert to a state bank under the name of the Farmers & Merchants Bank of Stanley

BFI940013 Champion Mortgage Corporation
Alleged violation of VA Code § 6.1-413

BFI940014 Executive Mortgage Services Inc.
For a mortgage broker's license at 3606 Forest Dr., Alexandria, VA

BFI940015 Pinnacle Mortgage Investment Corp.
To open an office at 48-50 West Chestnut St., Lancaster, PA

BFI940016 Miners Exchange Bank
To relocate office from 454 Front St. to 483 Front St., Coeburn, VA

BFI940017 Ryland Mortgage Company
To relocate office from 6100 Franconia Rd., Suite C/D, Alexandria, VA to 6225 Brandon Ave., Springfield, VA

BFI940018 Equicredit Corp. of Virginia
To open an office at 3959 Electric Road, SW, Suite 100, Roanoke, VA

BFI940019 First Community Bank
To open a branch at Routes 221 & 655, Moneta, VA

BFI940020 Park, Jessica S.
For a mortgage broker's license at 7002-J Little River Turnpike, Annandale, VA

BFI940021 Planters Bank & Trust Co. of Virginia
To open a branch at 40 Sixth Street, Grottoes, VA

BFI940022 Associates Financial Services Co. of America, Inc.
To relocate office from 9526 Lee Highway to 9641 Fairfax Circle, Fairfax, VA

BFI940023 Winchester Mortgage Company
For a mortgage broker's license at 839 Fox Drive, Winchester, VA

BFI940024 Windsor Mortgage Corporation
For a mortgage broker's license at 1355 Beverly Road, McLean, VA

BFI940025 Mortgage Lending Corporation
For mortgage lender's licenses at several locations

BFI940026 Monogram Home Equity Corp.
For a mortgage lender's license at 285 Davidson Ave. & 2180 South 1300 East, Salt Lake City, UT

BFI940027 Accubank Mortgage Corporation
To open an office at 11350 McCormick Road, Executive Plaza III, Hunt Valley, MD

BFI940028 Accubanc Mortgage Corporation
To relocate office from 10306 Eaton Place, Suite 120 to Suite 550, Fairfax, VA

BFI940029 Home Mortgage Center, Inc.
To open an office at 8125 Carrick Lane, Springfield, VA

BFI940030 Associates Financial Services Co. of Virginia, Inc.
To relocate office from 9526 Lee Highway to 9641 Lee Highway, Fairfax Circle, Fairfax, VA

BFI940031 Harbor Mortgage Company Inc.
To relocate office from 550 E. Main St., Suite 406 to Suite 405, Norfolk, VA

BFI940032 Countrywide Funding Corp.
To open an office at 681 Anderson Dr., Building 6, 2nd Floor, Pittsburg, PA

BFI940033 CTX Mortgage Company
Alleged violation of VA Code § 6.1-416

BFI940034 United Mortgage Corp.
For a mortgage lender's license at 8081 Wolftrap Road, Suite 110, Vienna, VA

BFI940035 Cityscape Corp.
To acquire 100 percent ownership of Astrum Funding Corp.

BFI940037 Coastal Mortgage Corp.
To open an office at 10615 Judicial Dr., #603, Fairfax, VA

BFI940038 CJS Mortgage Services, Inc.
For a mortgage broker's license at 6066 Clay Spurt Court, Centreville, VA

BFI940039 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Co., Inc.
To open an office at 11350 Random Hills Rd., Suite 830, Fairfax, VA

BFI940040 United Mortgagee, Inc.
To relocate office from 729 Thimble Shoals Blvd. to 8100 Three Chopt Blvd., Richmond, VA

BFI940041 Intercontinental Mortgage Corp.
To open an office at 5105-0 Backlick Road, Annandale, VA

BFI940042 Trimark Financial Services Inc.
For a mortgage broker's license at 5721 Brewer House Circle, Rockville, MD

BFI940043 Countywide Mortgage Co., Inc.
For a mortgage broker's license at 510 Cathedral Drive, Alexandria, VA

BFI940044 Shareholders Funding, Inc.
To open an office at 6-8 North State St., 2nd Fl., Newton, PA

BFI940045 Shareholders Funding Inc.
To relocate office from 1658 Bachan Court, Reston, VA to 8300 Greensboro Dr., Suite L2, McLean, VA

BFI940046 Columbia National Incorporated
To open an office at 1600 N. Coalten Street, #17B, Staunton, VA

BFI940047 Columbia National Incorporated
To open an office at 2300 Commonwealth Drive, Charlottesville, VA

BFI940048 Columbia National Incorporated
To open an office at 10440 Little Patuxent Parkway, Columbia, MD

BFI940049 Columbia National Incorporated
To open an office at 7150 Columbia Gateway Drive, Columbia, MD

BFI940050 Columbia National Incorporated
To open an office at 7151 Columbia Gateway Drive, Columbia, MD

BFI940051 Columbia National Inc.
To open an office at 5271-F Ritchie Highway, Severna Park, MD

BFI940052 Columbia National Inc.
To open an office at 1407 York Road, Lutherville, MD

BFI940053 Columbia National Inc.
To open an office at 2255 Crain Highway, Suite 207, Waldorf, MD

BFI940054 Columbia National Incorporated
To open an office at 7474 Greenway Center Dr., Suite 600, Greenbelt, MD

BFI940055 Franklin Mortgage Capital Corp.
Alleged violation of VA Code § 6.1-416

BFI940056 GE Capital Mortgage Services
To open an office at 4680 Hallmark Parkway, San Bernardino, CA

BFI940057 GE Capital Mortgage Services
To open an office at 19000 MacArthur Boulevard, Irvine, CA

BFI940058 Consumer First Mortgage Inc.
For a mortgage broker & lender license at 7900 Sudley Road, Suite 416, Manassas, VA

BFI940059 First Virginia Banks Inc.
To acquire FNB Financial Corporation

BFI940060 International Mortgage Association Inc.
To relocate office from 1828 L St., NW, Suite 402, To 1232 M St., NW, Washington, DC

BFI940061 Preferred Mortgage Corporation
For a mortgage broker's license at 131 East Broad Street, Suite 207, Falls Church, VA

BFI940062 Countrywide Funding Corp.
To open an office at 1210 Northbrook Drive, Suite 470, Trevose, PA

BFI940063 Countrywide Funding Corp.
To open an office at 852 Six Forks Road, Suite 410, Raleigh, NC

BFI940064 Countrywide Funding Corp.
To open an office at 11520 East Rockville Pike, Rockville, MD

BFI940065 Guild Mortgage Company
To relocate office from 7855 Walker Dr., Suite 150 to 7833 Walker Dr., Greenbelt, MD

BFI940066 Coastal Business/Financial
Alleged violation of VA Code § 6.1-413

BFI940067 Modern Mortgage Inc.
To open an office at 13320 Occoquan Road, Woodbridge, VA

BFI940068 Delta Funding Corporation
To relocate office from 130 Streamboat Rd., Great Neck, NY to 1000 Woodbury Rd., Woodbury, NY

BFI940069 Unifirst Mortgage Company
To relocate office from One Morton Drive, Suite 502 to Suite 102, Charlottesville, VA

BFI940070 Unifirst Mortgage Company
To open an office at 502 South Main Street, Culpeper, VA
BFI940071 CFC Mortgage Corporation
For a mortgage license at 850 East Washington St., Colton, CA
BFI940072 Signet Bank
To open a branch at 5959 Chamberlayne Road, Mechanicsville, VA
BFI940073 Academy Mortgage USA Inc.
For a mortgage broker's license at 470 E. 3900 South & 4424 S. 700 East, Salt Lake City, UT
BFI940074 Edmunds Financial Corporation
To open an office at 11890 Sunrise Valley Drive, Reston, VA
BFI940075 Edmunds Financial Corporation d/b/a Service First Mortgage
To open an office at 7220 C Columbia Pike, Annandale, VA
BFI940076 Edmunds Financial Corporation d/b/a Service First Mortgage
To open an office at 465 Maple Avenue, West, Vienna, VA
BFI940077 Edmunds Financial Corporation d/b/a Service First Mortgage
To open an office at 4500 Old Dominion Drive, Arlington, VA
BFI940078 Edmunds Financial Corporation d/b/a Service First Mortgage
To open an office at 5616 Cox Road, Fairfax, VA
BFI940079 Edmunds Financial Corporation d/b/a Service First Mortgage
To open an office at 6858 Old Dominion Drive, McLean, VA
BFI940080 Choice Mortgage Corporation
To relocate office from 9017 Shady Grove Court to 903 Russell Ave., Gaithersburg, MD
BFI940081 Performance Mortgage of Coachella Valley
To open an office at 116 Creekside Lane, Winchester, VA
BFI940082 Prudential Home Mortgage Co., Inc., The
To open an office at 1015 Corporate Square Dr., St. Louis, MO
BFI940083 Prudential Home Mortgage
To open an office at 3201 W. White Oaks Drive, Springfield, IL
BFI940084 Prudential Home Mortgage Co., Inc., The
To open an office at 1145 Corporate Lake Dr., St Louis, MO
BFI940085 Household Realty Corporation
To relocate office from 8335 Sudley Rd., Store 6 to 10780 Sudley Manor Dr., Manassas, VA
BFI940086 Trust Mortgage Corporation
For a mortgage broker's license at 6903 Rockledge Dr., Bethesda, MD
BFI940087 Washington Mortgage Corp.
To open an office at 532 N. Washington Street, Alexandria, VA
BFI940088 First Bancorp Mortgage Corp.
To open an office at 7309 Arlington Blvd., Falls Church, VA
BFI940089 Mortgage Access Corporation
To open an office at 169 Johnson Road, Parsippany, NJ
BFI940090 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Co., Inc.
To open an office at 11700 Beltsville Dr., Suite 680, Beltsville, MD
BFI940091 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Co., Inc.
To open an office at 532 N. Washington St., Alexandria, VA
BFI940092 Homenet Mortgage Limited Partnership
To relocate office from 7202, Suite 203 to 7202 Glen Forest Dr., Richmond, VA
BFI940093 WXY, Inc. t/a First Dominion Mortgage Corporation
To open an office at 735 Newtown Rd., Norfolk, VA
BFI940094 Greentree Mortgage Company
For a mortgage lender's license at 10005 Atriums at Greentree, Marlton, NJ
BFI940095 First Bancorp Mortgage Corp.
To relocate office from 11009 Warwick Blvd. to 688 J Clyde Morris Blvd., Newport News, VA
BFI940096 Washington Mortgage Services Inc.
For a mortgage broker's license at 8400 Baltimore Blvd., College Park, MD
BFI940097 Lieberman, Christopher A. t/a ABC Home Mortgage
To relocate office from 1336 Turnmill Dr. to 300 Arboretum Place, Suite 140, Richmond, VA
BFI940098 First American Mortgage Co., Inc.
For a mortgage broker's license at 12110 Sunset Hills Rd., Reston, VA
BFI940099 US Diversified Mortgage Inc.
For a mortgage broker's license at 11403 Cronhill Dr., Owings Mills, MD
BFI940100 American Mortgage Bankers
To open an office at 9990 Lee Highway, Suite 460, Fairfax, VA
BFI940101 GE Capital Mortgage Services
To open an office at 2000 W. Loop South, Suite 1917, Houston, TX
BFI940102 Fairfax County Employees
To open a service facility at 4080 Chain Bridge Rd., Fairfax, VA
BFI940103 American Residential Mortgage
To open an office at 116 Defense Highway, Suite 302, Annapolis, MD
BFI940104 First Financial Mortgage Services, Inc.
To open an office at 12320 Oakcreek Lane, Fairfax, VA

BFI940105 Firstbank Mortgage Inc.
To relocate office from 7799 Leesburg Pike, Suite 720, Falls Church, VA to 6501 Goldleaf Dr., Bethesda, MD

BFI940106 First Home Mortgage Corp.
To relocate office from 4107 Portsmouth Blvd. to 5544 Greenwich Rd., VA Beach, VA

BFI940107 CMK Corporation t/a Mortgage Capital Investors
To open an office at 5900 Centreville Road, Centreville, VA

BFI940108 Imperial Credit Industries
To open an office at 1144 Hooper Ave., Suite 206, Toms River, NJ

BFI940109 Nationscredit Financial Service Corp. of Virginia
To relocate office from 13565 Midlothian Turnpike to 8221 Hull St., Rd., Richmond, VA

BFI940110 Nationscredit Financial Services Corp. of Virginia
To relocate office from 2404 to 4001 VA Beach Blvd., VA Beach, VA

BFI940111 Nationscredit Financial Services Corp. of Virginia
To relocate office from 8109 Staples Mill Rd. to 5730 Brook Road, Henrico County, VA

BFI940112 Nationscredit Financial Services Corp. of Virginia
To relocate office from 9840 Midlothian Turnpike to 9740 Midlothian Turnpike

BFI940113 Mortgage Service of America Co.
To open an office at 607 William St., Suites 118 & 119, Fredericksburg, VA

BFI940114 Citizens Mortgage Corporation
To open an office at 7926 Jones Branch Dr., Suite 170, McLean, VA

BFI940115 Weyerhaeuser Mortgage Company
To open an office at 722 East Market St., Suite 200, Leesburg, VA

BFI940116 Mortgage Plus Incorporated
For a mortgage broker's license at 7000 East Belleview, Greenwood Village, CO

BFI940117 Riley, James M.
For a mortgage broker's license at 11828-E Cannon Blvd., Newport News, VA

BFI940118 Crismont Corporation t/a Crismont Mortgage
For a mortgage lender's license at 8229 Boone Blvd., Suite 777, Vienna, VA

BFI940119 Columbia National, Inc.
Alleged violation of VA Code § 6.1-416

BFI940120 Ryland Mortgage Company
Alleged violation of VA Code § 6.1-416

BFI940121 Astrum Funding Corp.
To relocate office from 111 Great Neck Rd., Great Neck, NY to 565 Taxter Rd., Elmsofrd, NY

BFI940122 GMAC Mortgage Corp. of Pennsylvania
To open an office at Route 26 & West Ave., Ocean View, DE

BFI940123 Home Mortgage Center, Inc.
To open an office at 8521 Leesburg Pike, Suite 330, Vienna, VA

BFI940125 Centurion Financial Ltd.
To open an office at 3401 Holly Street, Alexandria, VA

BFI940126 Centurion Financial Ltd.
To relocate office from 13405 Melville Lane, Chantilly, VA to 222 Maple Ave., Vienna, VA

BFI940127 Colonial Pacific Mortgage Co. t/a Ramsay Mortgage Co., Inc.
To relocate office from 19634 Club House Rd., #320, Gaithersburg, MD to 57 W. Timonium

BFI940128 Metropolitan Mortgage Corp.
To open an office at 5217 York Rd., Baltimore, MD

BFI940129 Commercial Credit Loans Inc.
To conduct consumer finance business at 8370 Sudley Rd., Prince William County, VA

BFI940130 Commercial Credit Loans Inc.
To conduct consumer finance business where mortgage lending will also be conducted

BFI940131 Commercial Credit Loans Inc.
To conduct consumer finance business where property insurance business will also be conducted

BFI940132 Commercial Credit Loans Inc.
To conduct consumer finance business where revolving loans will also be conducted

BFI940133 Commercial Credit Loans Inc.
To conduct consumer finance business where title insurance business will also be conducted

BFI940134 Commercial Credit Loans Inc.
To conduct consumer finance business where sales finance business will also be conducted

BFI940135 Commercial Credit Corporation
To open an office at 8370 Sudley Road, Manassas, VA

BFI940136 Mortgage Investors Inc.
For a mortgage broker's license at 5442 Tidewater Dr., Norfolk, VA

BFI940137 Monroe Mortgage Inc.
For a mortgage broker's license at 621 Lynnhaven Parkway, Suite 351, VA Beach, VA

BFI940138 Nuyen, Chinh Phuong
For a mortgage broker's license at 10105 Watts Mine Lane, Potomac, MD

BFI940139 Mortgage Discounters Inc.
For a mortgage broker's license at 6723 Whittier Avenue, McLean, VA

BFI940140 First Dominion Federal
For a mortgage broker's license at 5811 Ipswich Road, Bethesda, MD

BFI940141 Active Mortgage Company Inc.
For a mortgage broker's license at 15 Cypress St., POB 100, Newton Centre, MA

BFI940142 Washtenaw Mortgage Company
For a mortgage broker's license at 315 E. Isenhower, Suite 12, Ann Arbor, MI

BFI940143 JHM Mortgage Services Corp.
To open an office at 8300 Greensboro Drive, McLean, VA

BFI940144 Household Realty Corporation
To relocate office from 2030 S. Sycamore St., Petersburg, VA to 575 S. Park Blvd., Colonial Heights, VA

BFI940145 Nationwide Mortgage Group
To open an office at 2 Pidgeon Hill Dr., Suite 260, Sterling, VA

BFI940146 Farmers and Merchants Bank
To open an office at Turner Ashby Drive, Bridgewater, VA

BFI940147 Middleburg Bank
To open a branch at 431 East Main Street, Purcellville, VA

BFI940148 Olympia Mortgage Corporation
To conduct mortgage lending at 1413 Avenue J, Brooklyn, NY

BFI940149 Mortgage Central Inc.
To relocate office from 4842-C Rudby Ave. to 4826 Montgomery Lane, Bethesda, MD

BFI940150 Express Funding Inc.
To relocate office from 10280 Old Columbia Rd., Columbia, MD to 8500 Leesburg Pike, Vienna, VA

BFI940151 Thorp Consumer Discount Co.
To relocate office from 7219 Commerce St., Springfield, VA to 12020 Sunrise Valley Dr.

BFI940152 Ryland Mortgage Company
To open an office at 7202 Glen Forest Dr., Suite 201, Richmond, VA

BFI940153 Home Mortgage Center Inc.
To open an office at 8301 Greensboro Dr., Suite 380, McLean, VA

BFI940154 First National Bank of Strasburg
To convert to a state bank under the name of First Bank

BFI940155 Advantage Mortgage of Virginia Ltd.
For a mortgage broker's license at 104 Arbor Dr., NE, Christiansburg, VA

BFI940156 Abbey Financial Corporation
For a mortgage broker's license at 6903 Rockledge Dr., Suite 1220, Bethesda, MD

BFI940157 American Home Finance Inc.
For a mortgage lender & broker's license at 8300 Boone Blvd., Suite 500, Vienna, VA

BFI940158 Patriot Mortgage Company L.P.
To relocate office from 101 S. Hanley, Suite 1300 to 1611 Des Peres Rd., St. Louis, MO

BFI940160 Consumer Credit Counseling
To open an office at 8315 Lee Davis Rd., Suite 307, Mechanicsville, VA

BFI940161 Consumer Credit Counseling
To open an office at 605 N. Courthouse Rd., Suite 102, Richmond, VA

BFI940162 Congressional Funding Inc.
To open an office at 403 Glenn Drive, Sterling, VA

BFI940163 Cardinal Mortgage Inc.
To open an office at 307 Lafayette Blvd., Fredericksburg, VA

BFI940164 Cardinal Mortgage Inc.
To open an office at 2123 Ivy Road, Suite B, Charlottesville, VA

BFI940165 American Residential Mortgage
To open an office at 4 Northshore Center, Suite 600, Pittsburg, PA

BFI940166 Brown, Jane E. d/b/a Optimum Financial Services
For a mortgage broker's licenses at several locations

BFI940167 Capitol Financial Services Inc.
For a mortgage lender's license at 4794 Finley St., Richmond, VA

BFI940168 Crump, Grosjean Graves III
To acquire 33% ownership of Capitol Financial Services, Inc.

BFI940169 Chapel Creek Mortgage Corp.
For a mortgage broker's license at 5440 Southpoint Plaza Way, Fredericksburg, VA

BFI940170 Mortgage Factors Inc.
For a mortgage broker's license at 10310 Riverwood Dr., Potomac, MD

BFI940171 Fairfax Bank & Trust Company
To open an office at 133 S. Washington St., Falls Church, VA

BFI940172 SC Funding Corporation
To relocate office from 4 Park Place, Irvine, CA to 600 Anton Blvd., 20th Floor, Costa Mesa, CA

BFI940173 TPMC Inc.
To open an offfice at 4701 Cox Road, Suite 101, Glen Allen, VA

BFI940174 North American Mortgage Co.
To relocate office from 6411 Ivy Lane to 7833 Walker Dr., Greenbelt, MD

BFI940175 Patriot Mortgage Company L.P.
To open an office at 5309 Commonwealth Centre, Suite 210, Midlothian, VA

BFI940176 Naccash-Sites, Mary R. t/a 1st Professional Mortgage Brokers
To relocate office from 1420 N St., NW, to 1900 L St., Washington, DC

BFI940177 Fairfax Bank & Trust Company
To open a branch at 200 Little Falls St., Falls Church, VA

BFI940178 United Southern Mortgage Corporation of Roanoke
To relocate office from 5001 W. Broad St., Suite 1005 to 4900-4902 Fitzhugh Ave., Richmond, VA

BFI940179 White, Gerald Randall
To relocate office from 13501 Boydton Plank Rd., Dinwiddie, VA to 17301 Jefferson Davis Highway, Colonial Heights, VA

BFI940180 Yoon, Wook-Lho d/b/a Trust Mortgage Co.
To relocate office from 5410 Kennington Place, Fairfax, VA to 7023 Little River Turnpike, Annandale, VA

BFI940181 Bailey, Ronald
For a mortgage broker's license at 1828-F Canon Blvd., Newport News, VA

BFI940182 Paragon Mortgage/Financial
For a mortgage broker's license at 6000 Executive Blvd., Rockville, MD

BFI940183 Equity One Consumer Discount Co. Inc. d/b/a Equity One Consumer Loan
To conduct consumer finance business where mortgage lending will also be conducted

BFI940184 Equity One Consumer Discount Co. Inc. d/b/a Equity One Consumer Loan
For a consumer finance license at Virginia Ave., Henry County, VA

BFI940185 Equity One of Virginia Inc.
For a mortgage broker's license at Pocono Green Shopping Center, Richmond, VA

BFI940186 Equity One Consumer Discount Co. Inc. d/b/a Equity One Consumer Loan
To conduct consumer finance business where sales finance business will also be conducted

BFI940187 Citizens Bank of Virginia
To open an office at 8150 Leesburg Pike, Vienna, VA

BFI940188 George Mason Bank, The
To open a branch at 4005 Wilson Blvd., Arlington County, VA

BFI940189 Countrywide Funding Corp.
To open an office at 5950 Symphony Woods Dr., Suite 610, Columbia, MD

BFI940190 Countrywide Funding Corp.
To open an office at 1548 Benning Road, NE, Washington, DC

BFI940191 Mortgage Service Center Inc.
To relocate office from 580 Allentown Rd., Suite 204 to Suite 302, Camp Springs, MD

BFI940192 Banc One Financial Services Inc.
To conduct consumer finance business at 5446 Southpoint Plaza Way where sales finance business will also be conducted

BFI940193 Banc One Financial Services Inc.
To conduct consumer finance business at 5446 Southpoint Plaza Way where mortgage lending will also be conducted

BFI940194 Chapel Mortgage Corporation
For a mortgage lender and broker's license at 315 Main St. & 305 Fellowship Rd., NJ

BFI940195 P&A Mortgage Bankers Inc.
To relocate office from 4534-B John Marr Dr. to 4115 Annandale Rd., Suite 300, Annandale, VA

BFI940196 Thomas, Leo Jr.
To acquire 51% ownership of United Mortgagee

BFI940197 First Home Mortgage Corp.
Alleged violation of VA Code § 6.1-416

BFI940198 Pritchard, Donna M.
For a mortgage broker's license at 5050 Suite 13 Fort Avenue, Lynchburg, VA

BFI940199 American National Mortgage
For a mortgage broker's license at 8601 Georgia Ave., Silver Spring, MD

BFI940200 F&M Bank-Winchester
To open an EFT at Winchester Medical Center, 1840 Amherst St., Winchester, VA

BFI940201 U.S. Mortgage Capital Inc.
For a mortgage broker's license at 7315 Wisconsin Ave., Suite 780N, Bethesda, MD

BFI940202 Eagle Funding Group Ltd.
For a mortgage broker's license at 10615 Judicial Dr., Suite 203, Fairfax, VA

BFI940203 MacMillan, Scott M.
For a mortgage broker's license at 2730 University Blvd., Wheaton, MD

BFI940204 Lomas Mortgage USA Inc.
To open an office at 3820 Northdale Blvd., Suite 1148, Tampa, FL

BFI940205 Madison Mortgage Corporation
To open an office at 241 McLaws Circle, Suite 100, James City County, VA

BFI940206 Colonial Pacific Mortgage Co.
To open an office at 2605 Durham Road, Suite F, Bristol, PA

BFI940207 Colonial Pacific Mortgage Co.
To relocate office from 11350 Random Hills Rd., Suite 830 to 3613-C Chain Bridge Rd., Fairfax, VA

BFI940208 Cornerstone Mortgage Inc.
To open an office at 121 West Locust Street, Culpeper, VA

BFI940209 F&M Bank - Winchester
To open a branch at 6701 Northwestern Pike, Gore, VA

BFI940210 RBO Funding Inc.
To relocate office from 8700 Georgia Ave. to 8701 Georgia Ave., Silver Spring, MD

BFI940211 Bank of McKenney
To open an office at the West Side of U.S. Rt. 1 across From State Rt. 703, Dinwiddie, VA

BFI940212 North American Mortgage Co.
To relocate office from 7617 to 7535 Little River Turnpike, Annandale, VA

BFI940213 Custom Mortgage Company
To relocate office from 1760 Suite 214 to 1760 Reston Parkway, Suite 403, Reston, VA

BFI940214 Granite Mortgage Corporation
For a mortgage broker's license at 6362 Tisbury Dr., Suite 301, Burke, VA

BFI940215 Lenders Financial Corporation
To relocate office from 600 One Columbus Center to 485 S. Independence Blvd., VA Beach, VA

BFI940216 Lenders Financial Corporation
To relocate office from 8251 Suite 800 to 8180 Greensboro Dr, Suite 400, McLean, VA

BFI940217 F&M Bank-Winchester
To open an EFT at 1850 Apple Blossom Dr., Winchester, VA

BFI940218 Directors Mortgage Loan Corp.
To open an office at 1417 N. Battlefield Blvd., Suite 120, Chesapeake, VA

BFI940219 Directors Mortgage Loan Corp.
To open an office at 2 Eaton St., Suite 711, Hampton, VA

BFI940220 Home Mortgage Center Inc.
To open an office at 4700 Kandel Court, Annandale, VA

BFI940221 Beneficial Mortgage Corp.
To relocate office from 200 Continental Dr. to One Christina Centre, Wilminton, DE

BFI940222 Southeast Mortgage Banking
For a mortgage lender's license at 14569-D Jefferson Davis Highway, Woodbridge, VA

BFI940223 Paramount Mortgage Corp.
For a mortgage broker's license at 12119 Indian Creek Court, Beltsville, MD

BFI940224 Gateway Mortgage Company
For a mortgage broker's iicense at 5827 Columbia Pike, Suite 505, Falls Church, VA

BFI940225 First Virginia Bank
To open an EFT at 12011 Government Center Parkway, Fairfax County, VA

BFI940226 Sentry Mortgage Bankers L.P.
To open an office at 1738 Elton Rd., Suite 220, Silver Spring, MD

BFI940227 Express Funding Inc.
To open an office at 4176 S. Plaza Trail, Suite 128, VA Beach, VA

BFI940228 Jefferson Mortgage Group Ltd.
To open an office at 4300 Plank Road, Suite 240, Fredericksburg, VA

BFI940229 Consumer Credit Counseling Service of Virginia, Inc.
To open an office at 8505 Maryland Dr., Parham Park Office Park, Richmond, VA

BFI940230 Mountain States Mortgage Center, Inc.
To open an office at 560 West South, Sandy, UT

BFI940231 Foremost Mortgage Corporation
For a mortgage broker's license at 115 S. Pantops Dr., Charlottesville, VA

BFI940232 Davenport-Dukes Mortgage Service Corp.
For a mortgage lender's license at 448 Viking Dr., Suite 350, VA Beach, VA

BFI940233 First Virginia Bank of Tidewater
To relocate office from 3305 Main St. to Shore Plaza Shopping Center, Exmore, VA

BFI940234 Equity One Consumer Discount d/b/a Equity One Consumer Loan
To conduct consumer finance business at locations where mortgage brokering will also be conducted

BFI940235 RBO Funding Inc.
To open an office at 1146 Kempsville Rd., Suite 204, VA Beach, VA

BFI940236 East West Mortgage Company
To open an office at 4001 N. 19th St., Suite 100 A, C/O Tax Machine, Arlington, VA

BFI940237 Express America Mortgage Corp.
For a mortgage lender and broker license at 3490 Piedmont Rd., NE, Atlanta, GA

BFI940238 Private Label Mortgage Services Corp.
To open an office at 411 E. Winconsin Ave., Suite 2275, Wilwaukee, WI

BFI940239 United First Mortgage Inc.
To open an office at 1700 Huguenot Rd., Suite A, Midlothian, VA

BFI940240 Fauquier National Bank
To convert to a state bank under name of The Fauquier Bank

BFI940241 Western Freedom Mortgage Corp.
For a mortgage lender and broker license at 4141 S. Highland Dr., Salt Lake City, UT

BFI940242 Buckingham Mortgage Corp.
For a mortgage broker's license at 30 West Gude Dr., Rockville, MD

BFI940243 Universal American Mortgage Co.
For a mortage lender's license at 730 NW, 107th Avenue, Miami, FL

BFI940244 Pumphrey Financial Group Inc.
For a mortgage broker's license at 8013 Stillbrooke Rd., Manassas, VA

BFI940245 Cumming, James M. II
To relocate office from 11828 E. Canon Blvd. to 610 Thimble Shoals Blvd., Newport News, VA

BFI940246 Freedom Home Mortgage Corp.
To open an office at 200 Golden Oak Court, VA Beach, VA

BFI940247 GMAC Mortgage Corp. of Pennsylvania
To relocate office from 1050 Wilshire Dr. to 322 West Big Beaver Rd., Troy, MI
BFI940248 GMAC Mortgage Corp. of Pennsylvania
To relocate office from 812 Moorefield Park Dr. To 9211 Forest Hill Ave., Richmond, VA
BFI940249 First Virginia Bank-Tidewater
To open an office at Kiln Creek Shopping Center, Victory Blvd., Tabb, VA
BFI940250 Professional Mortgage Corp.
For a mortgage lender's license at 2904 W. Clay Street, Richmond, VA
BFI940251 American Bankers Mortgage Corp.
For a mortgage broker's license at 1700 Rockville Pike, Rockville, MD
BFI940252 First Mid-Atlantic Mortgage Corp. Inc.
For a mortgage broker's license at 16220 S. Frederick Rd., Gaithersburg, MD
BFI940253 CTX Mortgage Company
To relocate office from 11200 Waples Mill Rd., Suite 360 To Suite 102, Fairfax, VA
BFI940254 Franklin Mortgage Capital Corp.
To open an office at 3601 Commerce Dr., Suite 102, Baltimore, MD
BFI940255 Home Mortgage Center Inc.
To relocate office from 1364 Beverly Rd. to 6829 Elm St., McLean, VA
BFI940256 Equity One of Virginia Inc.
To open an office at 7600 B Leesburg Pike, Falls Church, VA
BFI940257 Signet Banking Corporation
To acquire 100% of the voting stock of Pioneer Financial Corporation
BFI940258 Signet Bank/Virginia
To merge into it Pioneer Federal Savings Bank
BFI940259 Crosstate Mortgage & Investments Inc.
To relocate office from 1206 Laskin Rd. to 1700 Pleasure House Rd., VA Beach, VA
BFI940260 Consumer First Mortgage Inc.
To open an office at 8808 Centre Park Dr., 3rd Floor, Columbia, MD
BFI940261 Shelter Mortgage Co. Partnership d/b/a SMC Mortgage Corp.
To relocate office from 1835 Alexander Bell Dr. to 1851 Alexander Bell Dr., Reston, VA
BFI940262 Global Mortgae Network, Inc.
To open an office at 190 N. Beaureagard St., Suite 505, Alexandria, VA
BFI940263 CNB Holdings, Inc.
To acquire 100% of the voting shares of Community National Bank, Pulaski, VA
BFI940264 Countryside Mortgage Services Inc.
To relocate office from 487-A Carlisle Dr., Herndon, VA to 555 Wilson Blvd., Arlington, VA
BFI940265 Peoples Home Equity Corp.
To open an office at 9401 Mathy Dr., Suite 340, Fairfax, VA
BFI940266 Moore, Peggy J.
To acquire 50% of Mortgage Atlantic Inc.
BFI940267 United Southern Mortgage Corp. of Roanoke Inc.
To open an office at 100 D MacTanly Place, Staunton, VA
BFI940268 Lewis, William E.
For a mortgage broker's license at Route 1221, Mersey Lane, Middleburg, VA
BFI940269 Tidewater First Financial Group, Inc.
To relocate office from 1011 Krause Rd., Chesterfield, VA to 9840 Midlothian Turnpike, Richmond, VA
BFI940270 NVR Mortgage Finance Inc.
For a mortgage lender's licenses at several locations
BFI940271 Fairfax Bank & Trust Company
To relocate office from 200 Little Falls St. to 133 S. Washington St., Falls Church, VA
BFI940272 Equity One Consumer Discount Co. Inc. d/b/a Equity One Consumer Loan
To conduct consumer finance business where sales finance business will also be conducted
BFI940273 Equity One Consumer Discount Co. Inc. d/b/a Equity One Consumer Loan
To conduct consumer finance business where mortgage lending will also be conducted
BFI940274 Loudoun Credit Union
To merge into it Loudoun Healthcare Federal Credit Union
BFI940275 Equity One Consumer Discount Co. Inc. d/b/a Equity One Consumer Loan
To open an office at 4351 Starkey Rd., Roanoke County, VA
BFI940276 Harbor Financial Mortgage
To open an office at 225 Reinekers Lane, Suite 755, Alexandria, VA
BFI940277 Fidelity Bond/Mortgage Co.
For a mortgage lender's license at 1777 Sentry Parkway, Blue Bell, PA
BFI940278 Virginia Financial Consultants Inc.
Alleged violation of VA Code § 6.1-418
BFI940279 First Advantage Mortgage Corp.
Alleged violation of VA Code § 6.1-418
BFI940280 Hunter, Walden T., Jr. t/a Hunter Mortgage & Financial Services
Alleged violation of VA Code § 6.1-418
BFI940281 Southern Equity Mortgage Corp.
Alleged violation of VA Code § 6.1-418

BFI940282 American Funding & Investment Corp.
Alleged violation of VA Code § 6.1-418
BFI940283 Prudential Real Estate Financial Services of the Mid-Atlantic, LP
Alleged violation of VA Code § 6.1-418
BFI940284 Wall Street Mortgage Corp.
Alleged vioaltion of VA Code § 6.1-418
BFI940285 Anchor Capital Corp.
Alleged violation of VA Code § 6.1-418
BFI940286 Williams, Larry E. t/a CRS Financial Services
Alleged violation of VA Code § 6.1-418
BFI940287 Gravett, Guy M.
Alleged violation of VA Code § 6.1-418
BFI940288 May, John E. Jr. t/a Central Mortgage & Investment Co.
Alleged violation of VA Code § 6.1-418
BFI940289 Mortgage Lending Corp.
Alleged violation of VA Code § 6.1-418
BFI940290 Unisource Financial Corp.
Alleged violation of VA Code § 6.1-418
BFI940291 Martin, Robert L.
Alleged violation of VA Code § 6.1-418
BFI940292 Premier Mortgage Corp.
Alleged violation of VA Code § 6.1-418
BFI940293 Developers Mortgage Corp.
Alleged violation of VA Code § 6.1-418
BFI940294 K. C. Mortgage Corporation
Alleged violation of VA Code § 6.1-418
BFI940295 Firstbank Mortgage Inc.
Alleged violation of VA Code § 6.1-418
BFI940296 Infinity Funding Group Inc.
Alleged violation of VA Code § 6.1-418
BFI940297 Correspondents Mortgage Corp
Alleged violation of VA Code § 6.1-418
BFI940298 Mortgage One Financial Centers Inc.
Alleged violation of VA Code § 6.1-418
BFI940299 Libra Investments Ltd.
Alleged violation of VA Code § 6.1-418
BFI940300 Unifirst Mortgage Co., Inc.
Alleged violation of VA Code § 6.1-418
BFI940301 Wilkinson, William F. III t/a Wilkinson Financial Services
Alleged violation of VA Code § 6.1-418
BFI940302 Prosperity Mortgage Corp.
Alleged violation of VA Code § 6.1-418
BFI940303 Washington Suburban Financial Services, Inc.
Alleged violation of VA Code § 6.1-418
BFI940304 Paradigm Mortgage Services Inc.
Alleged violation of VA Code § 6.1-418
BFI940305 Champion Mortgage Corp.
Alleged violation of VA Code § 6.1-418
BFI940306 ABS Financial Services Inc.
Alleged violation of VA Code § 6.1-418
BFI940307 Signature Mortgage Corp.
Alleged violation of VA Code § 6.1-418
BFI940308 Frost, Linda Y. t/a Brunswick Mortgage Company
Alleged violation of VA Code § 6.1-418
BFI940309 International Mortgage Assoc. Inc.
Alleged violation of VA Code § 6.1-418
BFI940310 National Loan Servicecenter Inc.
Alleged violation of VA Code § 6.1-418
BFI940311 WMS Inc.
Alleged violation of VA Code § 6.1-418
BFI940312 Shareholder's Funding Inc. d/b/a Affinity National Mortgage
Alleged violation of VA Code § 6.1-418
BFI940313 Mortgage Service America Co.
Alleged violation of VA Code § 6.1-418
BFI940314 Harbor Mortgage Company Inc.
Alleged violation of VA Code § 6.1-418
BFI940315 Jer Tag Enterprises Inc. t/a Jer-tag Mortgage
Alleged violation of VA Code § 6.1-418
BFI940316 Homenet Mortgage Limited Partnership
Alleged violation of VA Code § 6.1-418

BFI940317 Consolidated Mortgage & Financial Services Corp.
Alleged violation of VA Code § 6.1-418
BFI940318 American Independent Mortgage Inc.
Alleged violation of VA Code § 6.1-418
BFI940319 Statewide Mortgage Corp.
Alleged violation of VA Code § 6.1-418
BFI940320 North American Mortgage Co.
To open an office at 9861 Broken Land Parkway, Suite 110, Columbia, MD
BFI940321 North American Mortgage Co.
To open an office at 1001 Connecticut Ave., NW, Suite 501, Washington, DC
BFI940322 First Savings Bank of Virginia
To relocate office from 6206 Rolling Rd. to 6564 Loisdale Rd., Springfield, VA
BFI940323 Farmers Bank-Windsor Virginia
To open a branch at 1119 South Church St., Smithfield, VA
BFI940324 Prime Mortgage Group Inc.
To relocate office from 5822 Hubbard Dr. to 12450 Parklawn Dr., Rockville, MD
BFI940325 Loan America Financial Corp.
To relocate office from 6120 Executive Blvd. to 1803 Research Blvd., Rockville, MD
BFI940326 Mortgage Edge Corporation
For a mortgage lender and broker license at 44 Canal Center Plaza, Suite 303, Alexandria, VA
BFI940327 Security First Funding Corp.
For a mortgage broker's license at 1074 Parkview Dr., Covina, CA and 3132 Parkside Lane, Williamsburg, VA
BFI940328 Larson Mortgage Corporation
For a mortgage broker's license at 8575 Southlawn Court, Alexandria, VA
BFI940329 Countrywide Funding Corp.
To open an office at 1108 Madison Plaza, Suite 201 B, Chesapeake, VA
BFI940330 McLean Funding Group Inc.
To relocate office from 6845 Elm St., Suite 306 to 8301 Greensboro Dr., Suite 380, McLean, VA
BFI940331 Shareholders Funding Inc.
To relocate office from 8300 Greensboro Dr., Suite L 2 to 8280 Greensboro Dr., McLean, VA
BFI940332 Choice Mortgage Corporation
To open an office at 306 Garrisonville Road, Suite 203, Stafford, VA
BFI940333 First Virginia Bank
To open an office one block south of the intersection of Claiborne Parkway & Ashburn
BFI940334 Margaretten & Company Inc.
To relocate office from 7601 Ora Glen Dr., Ste. 105 to 6301 Ivy Lane, Suite 210, Greenbelt, MD
BFI940335 Margaretten & Company Inc.
To open an office at 780 Lynnhaven Parkway, VA Beach, VA
BFI940336 Bank of the Potomac Inc.
To open an office at 10 Catoctin Circle, Leesburg, VA
BFI940337 Chesapeake National Bank
To convert to a state bank under name of Chesapeake Bank
BFI940338 Nations Credit Financial Corp. of Virginia
To relocate office from 7574 to 7801 W. Broad St., Henrico County, VA
BFI940339 1st Chesapeake Financial Corp.
To relocate office from 144 Maple Ave., Suite 206 E, Vienna, VA to 3615 E. Chain Bridge Rd., Fairfax, VA
BFI940340 Equity One Mortgage Co. Inc.
To relocate office from 2807 N. Parham Rd. to 1897 Billingsgate Circle, Richmond, VA
BFI940341 Klonitsko, Nicholas J.
For a mortgage broker's license at 9500 Annapolis Rd., Landham, MD
BFI940342 Vantage Mortgage Corporation
For a mortgage broker's license at 6507 Rockland Court, Clifton, VA
BFI940343 Equity One of Virginia Inc.
To open an office at 2129 S. Loudon St., Winchester, VA
BFI940344 GMAC Mortgage Corp. of Pennsylvania
To open an office at Maplewood Office Park, 1301 Virginia Ave., Fort Washington, PA
BFI940345 Home Mortgage Center Inc.
To open an office at 21 S. Kent Street, Winchester, VA
BFI940346 Page Valley National Bank, The
To convert to state bank under name of The Page Valley National Bank
BFI940347 Family Finance Corporation
To open an office at 3040 S. Crater Road, Petersburg, VA
BFI940348 F&M National Corporation
To acquire 100% of Hallmark Bank and Trust Company
BFI940349 F&M National Corporation
To acquire 100% of PNB Financial Corporation
BFI940350 Citizens Bank of Virginia
To open an office at Kingstowne Shopping Center and intersection of Kingstowne Blvd. and S. Van Dorn St.
BFI940351 Hallmark Bank & Trust Company
To open an office at 7830 Backlick Rd., Suite 101, Springfield, VA

BFI940352 Accubanc Mortgage Corporation
To relocate office from 2877 Guardian Lane to 780 Lynnhaven Parkway, VA Beach, VA

BFI940353 GMAC Mortgage Corp. of Pennsylvania
To open an office at Quarterland Commons, 493 McLaws Circle, Williamsburg, VA

BFI940354 Hamilton Financial Corp.
To open an office at 8251 Greensboro Drive, Suite 800, McLean, VA

BFI940355 Hamilton Financial Corp.
To open an office at 8201 Greensboro Drive, Suite 708, McLean, VA

BFI940356 Hamilton Financial Corp.
To open an office at 6116 Executive Blvd., Suite 120, Rockville, MD

BFI940357 Hamilton Financial Corp.
To open an office at 7275 Glenn Forest Dr., Suite 202, Richmond, VA

BFI940358 Hamilton Financial Corporation
To open an office at 7701 Greenbelt Road, Suite 200, Greenbelt, MD

BFI940359 Hamilton Financial Corporation
To open an office at 200 Harry S. Truman Parkway, Suite 210, Annapolis, MD

BFI940360 Hamilton Financial Corporation
To open an office at 2217 Princess Anne St., Suite 200 A, Fredericksburg, VA

BFI940361 Carl I. Brown & Company d/b/a Regency Funding
To relocate office from 8200 Greensboro Dr., Suite 1520 To 8180 Greensboro, McLean, VA

BFI940362 Carl I. Brown & Co. d/b/a Regency Funding
To relocate office from 5772 Churchland Blvd. to 3218 Stamford Rd., Portsmouth, VA

BFI940363 Bahreini, Mohammad H. t/a Nima Realty & Investment Co.
For a mortgage broker's license at 11309 Baritone Court, Silver Spring, MD

BFI940364 First Bank
To open a branch at 3143 Valley Pike, Frederick County, VA

BFI940365 AMC Acquisition Inc.
To acquire 100% of Alliance Mortgage Company

BFI940366 Fairfax Bank & Trust Company
To open a branch at 13414 Dumfries Road, Prince William County, VA

BFI940367 Fairfax Bank & Trust Company
To open a branch at 9201 West Church Street, Manassas, VA

BFI940368 Fairfax Bank & Trust Company
To open a branch at 14091 John Marshall Highway, Prince William County, VA

BFI940369 AJR Mortgage Company Inc.
To relocate office from 9 S. Belmont Ave. to 9 S. Sheppard St., Richmond, VA

BFI940370 Nugent Mortgage Corporation
To relocate office from 7984 Old Georgetown Rd. to 4731 Elm St., Bethesda, MD

BFI940371 Mortgage Central Inc.
To relocate office from 4842-C Rugby Ave., Bethesda, MD to 6521 Arlington Blvd., Falls Church, VA

BFI940372 Cityscape Corporation
To begin business as mortgage lender at 565 Taxter Road, Elmsford, NY

BFI940373 Crestar Bank
To open an office at 4154 Dale Boulevard, Dale City, VA

BFI940374 Crestar Bank
To open an office at 8700 Centreville Road, Manassas, VA

BFI940375 Mortgage Funding Group Inc.
For a mortgage broker's license at 828 Quince Orchard Blvd., Suite 202, Gaithersburg, MD

BFI940376 Shelter Mortgage Company Partnership No. 30
For a mortgage broker's license at 1717 Elton Rd., Silver Spring, MD and 5801 Allentown Rd., Camp Springs, MD

BFI940377 American Prudential Mortgage Corp., Inc.
For a mortgage broker's license at 9160 Red Branch Rd., Columbia, MD and 2521 Shirlington Rd., Arlington, VA

BFI940378 Second Bank & Trust
To establish a bank at 102 South Main Street, Culpeper, VA

BFI940379 George Mason Bank, The
To open an office at 21037 Triple Seven Rd., Sterling, VA

BFI940380 Commercial Credit Corporation
To open an office at 1819 Jefferson Street, Bluefield, WV

BFI940381 Mortgage Acceptance Corp.
To open an office at Route 3, Box 412, Hardy, VA

BFI940382 Crescent Mortgage Corporation
To open office at 2066 Jefferson Davis Highway, Stafford, VA

BFI940383 Crestar Financial Corp.
To acquire Annapolis Bancorp Inc. and Annapolis Federal Savings Bank

BFI940384 First Dominion Mortgage Corp.
To relocate office from 735 Newtown Road to 4101 Granby St., Norfolk, VA

BFI940385 Beneficial Virginia Inc.
To conduct consumer finance business where property insurance business will also be conducted

BFI940386 Beneficial Virginia Inc.
To conduct consumer finance business where mortgage brokering will also be conducted

BFI940387 Beneficial Virginia Inc.
To conduct consumer finance business where mortgage lending will also be conducted

BFI940388 Beneficial Virginia Inc.
To conduct consumer finance business where open end credit business will also be conducted

BFI940389 Beneficial Virginia Inc.
To conduct consumer finance business where sales finance business will also be conducted

BFI940390 Beneficial Virginia Inc.
To conduct consumer finance business at Foothills Plaza, 1580 N. Franklin St., Christiansburg, VA

BFI940391 Beneficial Discount Co. of Virginia
To conduct consumer finance business at Foothills Plaza, 1580 N. Franklin St., Christiansburg, VA

BFI940393 Beneficial Mortgage Co. of Virginia
To open an office at Foothills Plaza, 1580 N. Franklin St., Christiansburg, VA

BFI940394 Prudential Home Mortgage, The
To open an office at 7490 New Technology Way, Frederick, MD

BFI940395 Prudential Home Mortgage, The
To open an office at 7485 New Horizon Way, Frederick, MD

BFI940396 Liberty National Mortgage Corp.
To open an office at 24901 Northwestern Highway, Suite 418, Southfield, MI

BFI940397 Liberty National Mortgage Corp.
To relocate office from 12733 Director's Loop to 12710 Director's Loop, Woodbridge, VA

BFI940398 Liberty National Mortgage Corp.
To relocate office from 315 W. King St. to 202 N. Queen St., Martinsburg, WV

BFI940399 Signet Credit Card Bank
To begin a banking business at 11011 W. Broad St. Rd., Henrico County, VA

BFI940400 Signet Banking Corporation
To acquire 100% of the voting shares of Signet Credit Card Bank

BFI940401 First Virginia Bank-Shenandoah Valley
To merge into it First Virginia Bank of Augusta and First Virginia

BFI940402 National Loan ServiCenter Inc.
To relocate office from 1444 Eye St. NW, Washington, DC To 11900 Bournefield Way, Silver Spring, MD

BFI940403 Bowers, Nelms, & Fonville Inc.
To relocate office from 45 N. Main, Kilmarnock, VA to Route 3, POB 1090, White Stone, VA

BFI940404 Bowers, Nelms & Fonville Inc.
To relocate office from 4806 Market Square Lane to 13626 Hull St. Rd., Midlothian, VA

BFI940405 Security Plus Mortgage Company
For a mortgage broker's license at 400 S. Croaton Highway, Kill Devil Hills, NC

BFI940406 Parks Finance Service Inc.
To conduct consumer finance business at several locations where sales finance business will also be conducted

BFI940407 Design Mortgage Services Inc.
For a mortgage broker's license at 16 Main St., Christiansburg, VA

BFI940408 Dynamics Fiancial Inc.
For a mortgage lender's license at 6849 Old Dominion Dr., McLean, VA and 275 W. Garrett St., Annapolis, MD

BFI940409 TMC Mortgage Company LP
To open an office at 401 E. Jefferson St., Suite 102, Rockville, MD

BFI940410 TMC Mortgage Company LP
To open an office at 3545 Chain Bridge Road, Suite 205, Fairfax, VA

BFI940411 Farmers & Merchants Bank of Craig County, The
To open a branch at NW Corner of Walnut and Court Sts., Craig County, VA

BFI940412 Central Money Mortgage Co.
To open an office at 8607 Westwood Center Drive, Vienna, VA

BFI940413 Hamilton Financial Corp.
For a mortgage lender's license at several locations

BFI940414 Byrum, Sandra F.
For a mortgage broker's license at 1210 Caroline Street, Winchester, VA

BFI940415 Morequity Inc.
For a mortgage lender's license at 2230 Gallows Rd., Suite 100, Dunn Loring, VA

BFI940416 Foxhall Mortgage Corporation
To relocate office from 4380 McArthur Blvd., Washington, DC to 20 Courthouse Square, Rockville, MD

BFI940417 Commonwealth Community Bancorp Inc.
To acquire 100% of the voting shares of Miners & Merchants Bank & Trust Co.

BFI940418 F.D.B. Mortgage Inc.
For a mortgage broker's license at 10944 Beaver Dam Road, Hunt Valley, MD

BFI940419 Morris Bonafice & Associates Inc.
To relocate office from 10401-C Courthouse Rd., Spotsylvania, VA to 301 LaFayette Blvd., Fredericksburg, VA

BFI940420 America's Funding Group Inc.
For mortgage a lender's license at 1370 Piccard Dr., Suite 250, Rockville, MD

BFI940421 Consumer Credit Counseling Service of Roanoke Valley Inc.
To relocate office from 6136-G to 7000 Peters Creek Rd., Roanoke, VA

BFI940422 Metro Mortgage Associates Inc.
To relocate office from 60 E. First St., Christiansburg, VA to 223 Riverview Dr., Danville, VA

BFI940423 North American Mortgage Co.
To relocate office from 1300 N. Dutton Ave. to 2170 Northpoint Parkway, Santa Rosa, CA

BFI940424 Directors Mortgage Loan Corp.
To open an office at 5555 Greenwich Rd., Suite 501, VA Beach, VA

BFI940425 Royal Mortgage Corp. d/b/a Great Rate Mortgage Co., The
For a mortgage lender's license at 621 Alexander Rd., Princeton, NJ

BFI940426 Transouth Mortgage Corporation
To open an office at 105 Decker Drive, Irving, TX

BFI940427 Associates Financial Services of America, Inc.
To open an office at 105 Decker Drive, Irving, TX

BFI940428 Ford Consumer Finance Corp.
To open an office at 105 Decker Drive, Irving, TX

BFI940429 Parkway Mortgage Inc.
For a mortgage lender & broker's license at 1700 Galloping Hill Rd., Kenilworth, NJ

BFI940430 Pegasus Mortgage Services Inc.
To relocate office from 11130 to 11139 Main St., Fairfax, VA

BFI940431 Camran Corporation t/a Camco Mortgage Bankers
To begin business as a mortgage lender at 6540 Arlington Blvd., Falls Church, VA

BFI940432 National Healthcare Financial Associates, Inc.
For a mortgage broker's license at 10858 Warwick Blvd., Newport News, VA

BFI940433 Caroline Savings Bank
To begin business as a savings bank pursuant to Article 2, Chapter 3.01

BFI940434 Realty Financial Services Inc.
To relocate office from 8330 Boone Blvd., Vienna, VA to 1430 Springhill Rd., McLean, VA

BFI940435 Professional Mortgage Corp.
To relocate office from 2904 W. Clay St. to 1311 High Point Ave., Richmond, VA

BFI940436 Highlands Union Bank
To open a branch at 164 Jonesborough Rd., Abingdon, VA

BFI940437 Chang, Thomas S.
For a mortgage broker's license at 3028 Javier Rd., Suite 50, Fairfax, VA

BFI940438 FNB Financial Services Corp.
To acquire Mutual Savings Bank FSB

BFI940439 Household Realty Corp d/b/a Household Realty Corp. of Virginia
Alleged violation of Chapter 16 of Title 6.1

BFI940440 Howe, Peter A. d/b/a Capital Clearing House
For a mortgage broker's license at 8000 Towers Crescent Dr., Sutie 135, Vienna, VA

BFI940441 Ramsay Mortgage Co. of North Carolina, Inc.
For a mortgage license at 113 N. Columbia St. and 3301 Womens Club Dr., Raleigh, NC

BFI940442 Associates Financial Services Co. of Virginia, Inc.
To relocate office from 705 Warrenton Center to 81 W. Lee Highway, Warrenton, VA

BFI940443 Associates Financial Services of America, Inc.
To relocate office from 705 Warrenton Center to 81 W. Lee Highway, Warrenton, VA

BFI940444 Consumer Credit Counseling
To open an office at Laburnum Professional Park, 4792 Finlay St., Suite 2, Richmond, VA

BFI940445 Consumer Credit Counseling
To open an office at 505 Main Street, South Boston, VA

BFI940446 Family Services of Tidewater d/b/a Consumer Credit Counseling Service of Tidewater
To relocate office from 123 Bank St. to 707 Gittings St., Suite 170, Suffolk, VA

BFI940447 Cornerstone Mortgage Inc.
For a mortgage lender's license at 3900 Jermantown Rd., Suite 300, Fairfax, VA

BFI940448 Smith, Aaron W.
For a mortgage broker's license at 3409 Green Oaks Court, Richmond, VA

BFI940449 PHH US Mortgage Corporation
To open an office at 822 S. Pickett Street, Alexandria, VA

BFI940450 Mortgage Refinancing Corp
For a mortgage lender's license at 4304 Evergreen Lane, Annandale, VA

BFI940451 International Mortgage Association
To relocate office from 1232 M Street, Washington, DC to 3891 Marquis Place, Lakeridge, VA

BFI940452 Capitol Financial Services Inc.
To open an office at 7501 Boulders View Dr., Suite 635, Richmond, VA

BFI940453 Mortgage Discounters Inc.
To relocate office from 6723 Whittier Ave. to 8201 Greensboro Dr., McLean, VA

BFI940454 WMS Inc.
To relocate office from 402 Castle Marina Rd., Chester, MD to 4201 Northview Dr. Bowie, MD

BFI940455 Sunshine Inc. t/a South West Mortgage Corp.
To open an office at 8136 Old Keene Mill Rd., Suite B-100, Springfield, VA

BFI940456 Express Mortgage Bankers Inc.
To relocate office from 1800 Diagonal Rd., Alexandria, VA to 6928 C Little River Turnpike, Annandale, VA

BFI940457 Morgan Home Funding Corp.
To open an office at 16 South Market Street, Frederick, MD

BFI940458 Morgan Home Funding Corp.
To open an office at 2045 Valley Avenune, Suite D, Winchester, VA

BFI940459 Sauls, Barbara Ann
For a mortgage broker's license at 8332 Richmond Highway, Suite 20 A, Alexandria, VA

BFI940460 Citizens Bank of Virginia
To open a branch at 200-206 North Washington St., Alexandria, VA

BFI940461 TM Mortgage Corporation
For a mortgage broker's license at 13308 Jefferson Davis Highway, Woodbridge, VA

BFI940462 Waterford Mortgage Corporation
To open an office at 8310 Midlothian Turnpike, Richmond, VA

BFI940463 F&M Bank- Winchester
To open a bank at Route 719 & Mulberry St., Round Hill, VA

BFI940464 Choice Mortgage Corporation
To open an office at 7531 Leesburg Pike, Suite 301, Falls Church, VA

BFI940465 Choice Mortgage Corporation
To open an office at 1945 Old Gallows Road, Suite 300, Vienna, VA

BFI940466 AVCO Mortgage & Acceptance Inc.
To open an office at 1562 North Franklin, Christiansburg, VA

BFI940467 Infinity Funding Group Inc.
To open an office at 287 Independence Blvd., Suite 241, VA Beach, VA

BFI940468 First Equity Mortgage Inc.
For a mortgage lender and broker's license at 5511 Staples Mill Rd. & 5400 Shawnee Rd., Richmond, VA

BFI940469 Home Mortgage Center Inc.
To open an office at 1145 Gaskins Road, Suite 108, Richmond, VA

BFI940470 Hamilton Financial Corp.
To relocate office from 200 Harry S. Truman Parkway to 1419 Forest Dr., Suite 100, Annapolis, MD

BFI940471 Hamilton Financial Corp.
To relocate office from 6116 Executive Blvd., Suite 120 to 6001 Montrose Rd., Suite 300, Rockville, MD

BFI940472 Kentucky Finance Company Inc.
To conduct consumer finance business where real estate mortgage lending will also be conducted

BFI940473 Kentucky Finance Company
To open an office at 1324 Front Street, Richlands, VA

BFI940474 KFC Mortgage Loans Inc.
To open an office at 1324 Front Street, Richlands, VA

BFI940475 White, B. Tucker Jr. d/b/a Action Mortgage
To open an office at 5941 King St., Mt. Jackson, VA

BFI940476 Kentucky Finance Company Inc.
To conduct consumer finance business where sales finance business will also be conducted

BFI940477 Hijjawi, Basel M.
Alleged violation of VA Code § 6.1-413

BFI940478 AVCO Financial Services of Madison Heights, Inc.
To conduct consumer finance business where sales finance business will also be conducted

BFI940479 AVCO Financial Services of Madison Heights, Inc.
To conduct consumer finance business where mortgage loans will also be conducted

BFI940480 AVCO Financial Services of Madison Heights, Inc.
To conduct consumer finance business where revolving loans will also be conducted

BFI940481 AVCO Financial Services of Madison Heights, Inc.
To conduct consumer finance business where property insurance business will also be conducted

BFI940482 AVCO Financial Services of Madison Heights, Inc.
To conduct consumer finance business at 1562 N. Franklin St., Christiansburg, VA

BFI940483 Firt Virginia Bank
To open a branch at Lee's Hill Commerical Center, Spotsyvania County, VA

BFI940484 Southside Bank
To open a branch at corner of Rts. 606 and 360 in Eastern Hanover County, VA

BFI940485 Consumer Credit Counseling Service of Roanoke Valley, Inc.
To open an office at 900 Starling Ave., Suite A, Martinsville, VA

BFI940486 Nations First Mortgage Corp.
To open an office at 1600 Spring Rd., Suite 210, Vienna, VA

BFI940487 Nations First Mortgage Corp.
To open an office at 1497 Chain Bridge Rd., Suite 203, McLean, VA

BFI940488 GE Capital Mortgage Services
To relocate office from 901 Roosevelt Parkway, Chesterfield, MO to 625 Maryville Centre Dr.

BFI940489 First Fidelity Mortgage Corp., The
To open an office at 1136 Hanover Green Drive, Mechanicsville, VA

BFI940490 Jefferson Finance Company
To conduct consumer business where real estate mortgage lending will also be conducted

BFI940491 Jefferson Finance Company
To conduct consumer finance business at 440 Park Avenue, Norton, VA

BFI940492 Regional Acceptance Corp.
To conduct consumer finance business where sales finance business will also be conducted

BFI940493 Regional Acceptance Corp.
To conduct consumer finance business at 369 Independence Blvd., VA Beach, VA

BFI940494 Countywide Funding Corporation
To open an office at 155 N. Lake Avenue, Pasadena, CA

BFI940495 Countywide Funding Corporation
To open an office at 750 Old Hickory Blvd., Suite 200, Brentwood, TN

BFI940496 Home Mortgage Center Inc.
To relocate office from 4900 to 5136 Leesburg Pike, Alexandria, VA

BFI940497 Carl L Brown & Co.
To open an office at One Columbus Center, Suite 600, VA Beach, VA

BFI940498 Family Finance Corporation
To conduct consumer finance business at 3040 S. Crater Rd., Petersburg, VA where sales finance business will also be conducted

BFI940499 F&M Bank-Winchester
To open an EFT facility at Pleasant Valley Rd. and Route 50 East, Winchester, VA

BFI940500 F&M Bank-Winchester
To open an EF facility at 1503 N. Frederick Pike, Winchester, VA

BFI940501 F&M Bank-Winchester
To open an EF facility at Route 7 and Regency Rd., Winchester, VA

BFI940502 Mortgage Capital Corporation
For a mortgage broker's licence at 8300 Boone Blvd., Suite 500, Vienna, VA

BFI940503 Signet Bank/Virginia
To open an EFT facility at 1957 Westmoreland St., Henrico County, VA

BFI940504 Brunswick Mortgage Company Inc.
For a mortgage broker's license at 9316 A Old Keene Mill Rd., Burke, VA

BFI940505 Consumer Credit Counseling Service of Virginia, Inc.
To open an office at 1604 Hilltop West Executive Center, Suite 304, VA Beach, VA

BFI940506 Consumer Credit Counseling Service of Virginia, Inc.
To open an office at 1600 N. Coalter St., Suite 53, Staunton, VA

BFI940507 SC Funding Corporation
To open an office at 415 N. Lasalle St., Suite 600, Chicago, IL

BFI940508 North American Mortgage Co.
To relocate office from 170 to 150 W. Patrick St., Frederick, MD

BFI940509 Consumer First Mortgage Inc.
To open an office at 607-B Jefferson Davis Highway, Fredericksburg, VA

BFI940510 1st 2nd Mortgage Co. of New Jersey, Inc.
To open an office at 5845 Richmond Highway, Alexandria, VA

BFI940511 American General Finance Inc.
To open a mortgage office at 530 1/2 E. Stuart Dr., Galax, VA

BFI940512 Associates Financial Services of America, Inc.
To relocate office from 1525 to 11419 Midlothian Turnpike, Chesterfield, VA

BFI940513 Johnson Mortgage Company
To relocate office from 727 Suite D to Suite A, J. Clyde Morris Blvd., Newport News, VA

BFI940514 First Atlantic Mortgage Corp.
For mortgage lender licenses at several locations

BFI940515 McLean Funding Group, Inc.
Alleged violation of VA Code § 6.1-416

BFI940516 Liberty National Mortgage Corp.
Alleged violation of VA Code § 6.1-416

BFI940517 Coastal American Mortgage Inc.
To relocate office from 423 Supplejack Court, Chesapeake, VA to 900 Commonwealth Place, VA Beach, VA

BFI940518 America's Lending Corporation
For a mortgage broker's license at 11325 Seven Locks Rd., Suite 218, Potomac, MD

BFI940519 Sterling Mortgage Corporation
To relocate ofice from 4455 S. Blvd., Suite 300 to 785 S. Independence Blvd., VA Beach, VA

BFI940520 Signet Bank/Virginia
To establish an EFT facility at 8007 Discovery Dr., Richmond, VA

BFI940521 First Franklin Financial
To open offices at 1749 Old Meadow Rd., McLean, VA & 2480 North 1st St., #100, San Jose, CA

BFI940522 Bank of Northern Virginia, The
To open an EFT facility at Arlington Hospital, 170 N. George Mason Dr., Arlington, VA

BFI940523 Peninsula Family Services Inc. d/b/a Consumer Credit Counseling Service of the Virignia Peninsula
To open an office at 1317 Patton Ave., Fort Eustis, Newport News, VA

BFI940524 Mortgage Investment Corp.
To open an office at 8731 W. Huguenot Road, Richmond, VA

BFI940525 Peninsula Family Services Inc. d/b/a Consumer Credit Counseling Service of the Virginia Peninsula
To open an office at Langley AFB, Hampton, VA

BFI940526 Diversified Funding Inc.
To relocate office from 166 Little John Pl., Newport News, VA to 3562 George Washington Memorial Highway, Hayes, VA

BFI940527 Collateral Mortgage Ltd.
To open an office at 11838 Rock Landing Dr., #130, Newport News, VA

BFI940528 US Home Mortgage Corporation
To relocate office from 8230 Old Courthouse Rd., #425, Vienna, VA to 10230 New Hampshire Ave., Silver Spring, MD

BFI940529 Associates Financial Services Co. of Virginia, Inc.
To relocate office from 11525 to 11419 Midlothian Turnpike, Chesterfield County, VA

BFI940530 Roya Joon Inc.
For a mortgage broker's license at 517 Seneca Road, Great Falls, VA

BFI940531 Unisource Financial Corp.
For a mortgage broker's license at 7535 Little River Turnpike, Suite 120, Annandale, VA

BFI940532 Empire Funding Group Inc.
For a mortgage broker's license at 319 Broad Leaf, Vienna, VA

BFI940533 Entrust Financial Corporation
To open an office at 1600 North Coalter St., Staunton, VA

BFI940534 Commercial Credit Corporation
To relocate office from 2609 Wards Rd. to 6015 Fort Ave., Lynchburg, VA

BFI940535 Hamilton Financial Corp.
To relocate office from 7275 Glen Forest Dr., Suite 202 to Suite 302, Richmond, VA

BFI940536 Mortgage Resources Inc.
To relocate office from 4200 Daniels Ave., Annandale, VA to 8136 Old Keene Mill Rd., Springfield, VA

BFI940537 Cummings, James M. II
To relocate office from 606 Thimble Shoals Blvd., Suite 302 B to Suite C-2 , Newport News, VA

BFI940538 American General Finance of America, Inc.
To conduct consumer finance business at 530 1/2 E. Stuart Dr., Galax, VA

BFI940539 American General Finance of America, Inc.
To conduct consumer finance business where sale of property insurance will also be conducted

BFI940540 American General Finance of America, Inc.
To conduct consumer finance business where sales finance business will also be conducted

BFI940541 American General Finance of America, Inc.
To conduct consumer finance business where real estate mortgage loan business will also be conducted

BFI940542 American General Finance of America, Inc.
To conduct consumer finance business where open-end lending will also be conducted

BFI940543 Security Pacific Financial Services, Inc.
To relocate office from 2101 Executive Drive Tower, Box 13 to 1st Floor, Hampton, VA

BFI940544 Commercial Credit Loans Inc.
To relocate office from 2609 Wards Rd. to 6015 Fort Ave., Lynchburg, VA

BFI940545 Hamilton Financial Corporation
To open an office at 1479 Chain Bridge Rd., Suite 201, McLean, VA

BFI940546 Hamilton Financial Group Inc.
To relocate office from 4853 Cordell Ave., Penthouse 7 A to 7619 Arnet Lane , Bethesda, MD

BFI940547 Columbia National Incorporated
To relocate office from 7151 to 7142 Columbia Gateway Dr., Columbia, MD

BFI940548 Universal American Mortgage Co.
To open an office at 3261 Old Washington Rd., Suite 2011, Waldorf, MD

BFI940549 McLean Mortgage Services Inc.
To open an office at 1606 Dolley Madison Blvd., McLean, VA

BFI940550 Mortgage Advantage Corp.
To relocate office from 10560 Main St., Suite 215 to Suites 202-204, Fairfax, VA

BFI940551 First Greensboro Home Equity, Inc.
To open an office at 1029-C City Park Avenue, Portsmouth, VA

BFI940552 Nationwide Mortgage Services
For a mortgage broker's license at 14 Pidgeon Hill Dr., Suite 500, Sterling, VA

BFI940553 American General Finance of America, Inc.
To relocate office from 2001 C S. Military Highway to 1420 D, Battlefield Blvd., Chesapeake, VA

BFI940554 Virginia Mortgage Exchange Inc.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940555 Crismont Corporation
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940556 Weismiller & Assoc. Inc.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940557 Poff, N. Thomas
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940558 McLean Funding Group, Inc.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940559 Comfort Mortgage, Inc.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940560 Metropolitan Mortgage Bankers, Inc.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940561 Koepsell, Terry W.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940562 Monogram Home Equity Corp.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940563 Home Mortgage Center, Inc.
Alleged violation of VA Code §§ 6.1-425 and 6 .1-427

BFI940564 Lomas Mortgage USA, Inc.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940565 Source One Mortgage Services Corp.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940566 Transcoastal Mortgage Corp.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940567 Liberty Mortgage Corp. D/b/a Liberty National Mortgage Corp.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940568 Revolutionary Mortgage Co.
Alleged violation of VA Code §§ 6.1-425 and 6.1-427

BFI940569 PMC Mortgage Corporation
To relocate office from 3110 Mount Vernon Ave. to 6100 Franconia Rd., Alexandria, VA

BFI940570 American Financial Group Inc.
To open an office at 7002 Evergreen Court, Annandale, VA

BFI940571 R&W Southside Mortgage Inc.
To relocate office from west side of Valley St. between Byrd St. and Main to Byrd and Warren Sts., Scottsville, VA

BFI940572 Accubanc Mortgage Corporation
To open an office at 770 Lynnhaven Parkway, Suite 102, VA Beach, VA

BFI940573 Federal Funding Group Inc. t/a Federal Mortgage Co.
For mortgage lender & broker's licenses at several locations

BFI940574 Home Mortgage Corp.
For a mortgage lender's license at 3000 Hempstead Turnpike, Levittown, NY

BFI940575 Phoenix Financial Group Inc., The
For a mortgage lender's license at Four Greenwood Square, Bensalem, PA

BFI940576 First Captial Mortgage Corp.
For a mortgage broker's license at 6188 Old Franconia Rd., Unit B, Alexandria, VA

BFI940577 Abbot Mortgage Service, Inc.
Alleged violation of VA Code § 6.1-418

BFI940578 Contimortgage Corporation
Alleged violation of VA Code § 6.1-418

BFI940579 Cotsamire, Leslie James
Alleged violation of VA Code § 6.1-418

BFI940580 Countryside Mortgage Services, Inc.
Alleged violation of VA Code § 6.1-418

BFI940581 CTX Mortgage Company
Alleged violation of VA Code § 6.1-418

BFI940582 Delta Mortgage Corporation
Alleged violation of VA Code § 6.1-418

BFI940583 East West Mortgage Co., Inc.
Alleged violation of VA Code § 6.1-418

BFI940584 Evans, Dorsey t/a Century Finance
Alleged violation of VA Code § 6.1-418

BFI940585 Metro Mortgage Associates Inc.
Alleged violation of VA Code § 6.1-418

BFI940586 Midstate Fiamncial Services, Inc.
Alleged violation of VA Code § 6.1-418

BFI940587 Mortgage Access Corp.
Alleged violation of VA Code § 6.1-418

BFI940588 Washington Suburban Mortgage Co.
Alleged violation of VA Code § 6.1-418

BFI940589 First Bank
To open a branch at 860 S. Main St., Woodstock, VA

BFI940590 Mortgage Network Inc.
For a mortgage broker's license at 6264 Montrose Rd., Rockville, MD

BFI940591 Naccash-Sites, Mary R. t/a 1st Professional Mortgage Brokers
To open an office at 1812 Baltic Ave., VA Beach, VA

BFI940592 Segal, Robert L.
To relocate office from 6560 Backlick Rd., Springfield, VA to 10560 Main St., Fairfax, VA

BFI940593 Monarch Mortgage Inc.
For a mortgage license at 3421 Commission Court, Suite 202, Woodbridge, VA

BFI940594 Entrust Financial Corporation
To relocate office from 805 15th St., Suite 810 to Suite 205, Washington, DC

BFI940595 Hamilton Financial Corp.
To open an office at 6225 Brandon Avenue, Suite 100, Springfield, VA

BFI940596 East West Financial Services, Inc.
To open an office at 1497 Chain Bridge Road, McLean, VA

BFI940597 TFC Financial Group Inc.
For a mortgage broker's license at 5000 Sunnyside Ave., Suite 301, Beltsville, MD

BFI940598 First Greensboro Home Equity, Inc.
For mortgage lender's licenses at several locations

BFI940599 Crestar Bank
To open an EFT facility at Circuit City, Deep Run II Bldg., 9950 Mayland Dr., Henrico County, VA

BFI940600 Crestar Bank
To open an EFT facility at Circuit City, Deep Run I Bldg., 9950 Mayland Dr., Henrico County, VA

BFI940601 Yoon, Wook Lho d/b/a Trust Mortgage Co.
To relocate office from 7023 Little River Turnpike, Annandale, VA to 5410 Kennington Place, Fairfax, VA

BFI940602 Fairfax Bank & Trust Company
To open a branch at 12220 Fairfax Town Center, Fairfax, VA

BFI940603 Newport News Shipbuilding Employees's Credit Union, Inc.
To open service facility at 998 J. Clyde Morris Blvd., Newport News, VA

BFI940604 First Fidelity Mortgage Corp., The
To relocate office from 8260 Greensboro Dr., McLean, VA to 8000 Towers Crescent Dr., Vienna, VA

BFI940605 White, Lynn Jennings
To relocate office from 155 Arrowhead Trail, Christiansburg, VA to 121 Broad St., Dublin, VA

BFI940606 Monroe Mortgage Inc.
To relocate office from 621 Lynnhaven Parkway, Suite 351 to 912 S. Lynnhaven Rd., VA Beach, VA

BFI940607 Postal, Michael A.
To acquire 50% of Elite Funding Corporation

BFI940608 Financial Security Mortgage Corp.
For a mortgage license at 1230 N. Washington St. and 6502 Baltimore National Pike, Rockville, MD

BFI940609 Virginia League Central Credit Union, Inc.
To open service facility at 998 J. Clyde Morris Blvd., Newport News, VA

BFI940610 Bank of McKenney
To open an EFT facility at 671 S. Park Blvd., Colonial Heights, VA

BFI940611 Washington Mortgage Corp.
To relocate office from 5881 Leesburg Pike, Falls Church, VA to 5514 Alma Lane, Springfield, VA

BFI940612 Granite Mortgage Corporation
To relocate office from 6362 Tisbury Dr., Burke, VA to 6225 Brandon Ave., Springfield, VA

BFI940613 Household Realty Corp. d/b/a Household Realty Corp. of Virginia
To relocate office from 8335 Sudley Rd. to 10780 Sudley Manor Dr., Manassas, VA

BFI940614 Household Realty Corp. d/b/a Household Realty Corp. of Virginia
To relocate office from 2030 S. Sycamore St., Petersburg, VA to 575 Southpark Blvd., Colonial Heights, VA

BFI940615 Newport News Educators' Credit Union, Inc.
For a service facility at 998 J. Clyde Morris Blvd., Newport News, VA

BFI940616 Virginia Credit Union Inc.
To open a service facility at 998 J. Clyde Morris Blvd., Newport News, VA

BFI940617 George Mason Bank, The
To open a branch at 9872 Liberia Ave., Prince William County, VA

BFI940618 Home Security Mortgage Corp.
To open an office at One Morton Dr., Charlottesville, VA

BFI940619 Home Security Mortgage Corp.
To open an office at 502 South Main Street, Culpeper, VA

BFI940620 Firstport Mortgage Corporation
To relocate office from 4015 Cedar Lane to 1809 Airline Blvd., Portsmouth, VA

BFI940621 Real Estate Mortgage Advantage
For a mortgage broker's license at 470-D Ritchie Highway, Severna Park, MD

BFI940622 American General Finance Inc.
To relocate office from Route 17 to 6549 Market Dr., Gloucester, VA

BFI940623 McLean Mortgage Services Inc.
To open an office at 6829 Elm Street, Suite 105, McLean, VA

BFI940624 McLean Mortgage Services Inc.
To open an office at 8521 Leesburg Pike, Vienna, VA

BFI940625 Mortgage Lending Corporation
To relocate office from 6231 Leesburg Pike, Suite 106 to Suite 410, Falls Church, VA

BFI940626 Columbia National Inc.
To open an office at 239 Garrisonville Rd., Suite 201, Stafford, VA

BFI940627 Welu, James A.
For a mortgage broker's license at 811 Thayer Ave., Suite 1, Silver Spring, MD

BFI940628 Bank of Lancaster
To open a branch at Lancaster Shopping Center, N. Main St., Kilmarnock, VA

BFI940629 First Town Mortgage Corp.
To relocate office from 10801 Lockwood Dr. to 10230 New Hampshire, #350, Silver Spring, MD

BFI940630 State-Wide Capital Corp.
To relocate office from 11300 Rockville Pike, Suite 902, Rockville, MD to 150 Monument Rd., Bala Cynwyd, PA

BFI940631 Hamilton Financial Corp.
To relocate office from 7701 Greenbelt Rd., to 7501 Greenway Center Dr., Greenbelt, MD

BFI940632 American General Finance of America, Inc.
To relocate office from 2001 C S. Military Highway to 1406 B Battlefield Blvd., North

BFI940633 Preferred Mortgage Group Inc.
To relocate office from 7929 Westpark Dr., #200 to 7923 Jones Branch Dr. McLean, VA
BFI940634 Design Mortgage Services Inc.
To relocate office from 16 Main St. to 26 West Main St., Christiansburg, VA
BFI940635 Mondrian Mortgage Corp.
For a mortgage lending license at 13111 Northwest Freeway, Houston, TX
BFI940636 American General Finance Inc.
To open an office at 1933 B S. Church St., Smithfield, VA
BFI940637 American General Finance of America, Inc.
To conduct consumer finance business at 1933 B S. Church St., Smithfield, VA
BFI940638 American General Finance of America, Inc.
To conduct sales finance business where other business will also be conducted
BFI940639 American General Finance of America, Inc.
To conduct property insurance sales where other business will also be conducted
BFI940640 American General Finance of America, Inc.
To conduct mortgage lending
BFI940641 American General Finance of America, Inc.
To conduct open-end lending business where other business will also be conducted
BFI940642 Gregory, Mark C.
To acquire 100% of Patriot Mortgage Services Inc.
BFI940643 Collateral Mortgage Ltd.
To open an office at 11742 Jefferson Ave., Suite 290, Newport News, VA
BFI940644 American General Finance of America Inc.
To relocate office from Route 17 to 6549 Market Dr., Gloucester, VA
BFI940645 City Federal Funding & Mortgage, Inc.
To relocate office from 9658 Baltimore Ave., Suite 203 to Suite 400, College Park, MD
BFI940646 Virginia League Central Credit Union
To establish a service facility at 677 Battlefield Blvd., Chesapeake, VA
BFI940647 Hamilton Financial Corp.
To open a mortgage office at 3740 W. Hundred Rd., Chester, VA
BFI940648 Tredegar Trust Company, The
To relocate office from 823 E. Main St. to 901 E. Byrd St., Suite 190, Richmond, VA
BFI940649 Virginia Credit Union Inc.
To open a service facility at 677 N. Battlefield Blvd., Chesapeake, VA
BFI940650 Mirza, Tufail M. t/a T. M. Mortgage
To relocate office from 13308 Jefferson Davis Highway, Woodbridge, VA to 6605-A Backlick Rd., Springfield, VA
BFI940651 Union Bank & Trust Company
To open a branch at 6313 Chamberlayne Rd., Mechanicsville, VA
BFI940652 Smith, Thomas E. t/a Mortgage Investment Services
For a mortgage broker's license at 1716 Leckie St., Portsmouth, VA
BFI940653 Gilley, Jacqueline E.
To acquire Mortgage Advantage Corporation
BFI940654 Platte Valley Funding
For a mortgage lender's license at 601 5th Ave. Scottsbluff, NV
BFI940655 Mortgage Investment Corp.
To open an office at 107 B-9 W. Federal St., Middleburg, VA
BFI940656 Lindley Mortgage Corporation
To open an office at 12120 Sunset Hills Rd., Suite 150, Reston, VA
BFI940657 GE Capital Mortgage Service, Inc.
To relocate office from 19000 MacArthur Blvd. to 2301 Dupont Dr., Irvine, CA
BFI940658 Tidewater Telephone Employees Credit Union Inc.
To open a service facility at 677 N. Battlefield Blvd., Chesapeake, VA
BFI940659 Tidewater Telephone Employees Credit Union Inc.
To open a service facility at 998 J. Clyde Morris Blvd., Newport News, VA
BFI940660 Option One Mortgage Corp.
For mortgage lender's licenses at several locations
BFI940661 First Mount Vernon Financial Corp.
To acquire 100% of voting shares of Norfolk Industrial Loan Association
BFI940662 Cityscape Corp.
To open an office at 4900 Seminary Road, Alexandria, VA
BFI940663 Bank of Clarke County
To open a branch at Senseny Rd., Route 657, Frederick County, VA
BFI940664 Meredino Group Inc., The
For a mortgage broker's license at 4502 Starkey Rd., Suite 2, Roanoke, Va
BFI940665 Mason Dixon Corporation
For a mortgage broker's license at 331 Hogan Dr., Newport News, VA
BFI940666 Whittaker, Charles W.
To acquire 25% of First Manassas Mortgage LLC
BFI940667 Nationscredit Financial Services Corp. of Virginia
To relocate office from 2355 S. Main to 1790-92 E. Main St., Harrisonburg, VA

BFI940668 Nationscredit Financial Services Corp. of Virginia
To relocate office from 6715 E. Backlick Rd to 7219 Commerce St. Springfield, VA

BFI940669 Chesapeake Bank
To relocate office from 7099 George Washington Memorial Highway to 6569 Market Dr., Gloucester, VA

BFI940670 Prudential Home Mortgage Co., Inc., The
To relocate office from 7490 New Technology Way to 7495 New Horizon Way, Frederick, MD

BFI940671 Residential Home Funding Corp.
To relocate office from 10305 Memory Lane, Suite 2, Chester, VA to 7814 Carousel Lane, Richmond, VA

BFI940672 Monroe Mortgage Co., A Virginia Corp.
To relocate office from 18 E. Germain St. to 20 S. Cameron St., Suite 103, Winchester, VA

BFI940673 Crestar Bank
To open an EFT facility at 100 Visitor Center Dr., Williamsburg, VA

BFI940674 Nationsbank Corporation
To acquire Rock Hill National Bank, 222 E. Main St., Rock Hill, SC

BFI940675 Crestar Bank
To open a branch at 12001 Lee Jackson Memorial Highway, Fairfax County, VA

BFI940676 Treasure Coast Mortgage Corp.
For a mortgage lender's license at 1839 SE Port Lucie Blvd., Port St. Lucie, FL

BFI940677 Hamilton Financial Corp.
To open an office at 1749 Old Meadow Road, Suite 230, McLean, VA

BFI940678 McLean Mortgage Services Inc.
To open an office at 25 South Kent Street, Winchester, VA

BFI940679 Hampton Roads Educators Credit Union, Inc.
To open a service facility at 998 J. Clyde Morris Blvd., Newport News, VA

BFI940680 Hampton Roads Educators Credit Union Inc.
To open a service facility at 667 Battlefield Blvd., Chesapeake. VA

BFI940681 Kim, Joo Dong t/aA Dime Mortgage Service
For a mortgage broker's license at 50 S. Pickett St., Suite 106, Alexandria, VA

BFI940682 Money Organization of Mid-Atlantic, Inc.
To relocate office from 75 B Main St., Halifax, VA to 325 Main St., Brookneal, VA

BFI940683 First Dominion Mortgage Corp.
To relocate office from 7010 Little River Turnpike, #140 to 4304 Evergreen Dr., Annandale, VA

BFI940684 Skeete, Norma M.
To relocate office from 4710 Auth Place, Camp Springs, MD to 4465 Old Branch Ave., Temple Hills, MD

BFI940685 American General Finance of America, Inc.
To relocate office from 3940 D to 3940 X Plank Rd., Spotsylvania County, VA

BFI940686 United Companies Lending Corp.
To open an office at 208 Sunset Dr., Suite 204, Johnson City, TN

BFI940687 Medallion Mortgage Company
To open an office at 1370 Washington Pike, #201, Bridgeville, VA

BFI940688 CTX Mortgage Company
To open an office at 9210 Forest Hill Ave., Suite A, Richmond, VA

BFI940689 Hampton Roads Postal Credit Union Inc.
To open a service facility at 728 Thimble Shoals Blvd., Newport News, VA

BFI940690 American General Finance Inc.
To open an office at 6715 E Backlick Road, Springfield, VA

BFI940691 American General Finance Inc.
To relocate office from 3940-D Plank Rd. to 3940-X Plank Rd., Fredericksburg, VA

BFI940692 Infinity Funding Group Inc.
To relocate office from 4483 Forbes Blvd., Lanham, MD to 10111 Martin Luther King Highway, Bowie, MD

BFI940693 JHM Mortgage Securities LP
To acquire 100% of JHM Mortgage Services Corporation

BFI940694 Chesapeake Bank
To open an EFT at northwest corner of intersection of US Route 17 and State Route 33, Glenns, VA

BFI940695 Chesapeake Bank
To open an EFT at northwest corner of intersection of State Routes 198 and 3, Matthews, VA

BFI940696 American General Finance of America Inc.
To conduct mortgage lending where other business will also be conducted

BFI940697 American General Finance of America, Inc.
To conduct property insurance business where other business will also be conducted

BFI940698 American General Finance of America, Inc.
To conduct open-end lending where other business will also be conducted

BFI940699 American General Finance of America Inc.
To conduct sales finance business where other business will also be conducted

BFI940700 American General Finance of America, Inc.
To conduct business at 6715-E Backlick Rd., Springfield, VA

BFI940701 Mercantile Bankshares Corp.
To acquire Fredericksburg National Bancorp Inc., Fredericksburg, VA

BFI940702 Franklin Bancorporation Inc.
To acquire The George Washington Banking Corporation

BFI940703 Primerica Financial Services Home Mortgages, Inc.
To open an office at 3730 University Blvd., Suite 504, Wheaton, VA
BFI940704 Primerica Financial Services Home Mortgages, Inc.
To open an office at 5720 Williamson Rd., Suite 103, Roanoke, VA
BFI940705 Primerica Financial Services Home Mortgages, Inc.
To open an office at 4465 Old Branch Ave., Suite 101, Temple Hills, VA
BFI940706 Primerica Financial Services Home Mortgages, Inc.
To open an office at 121 Broad St., Dublin, VA
BFI940707 Primerica Financial Services Home Mortgages, Inc.
To open an office at 7209 Park Terrace Dr., Alexandria, VA
BFI940708 Primerica Financial Services Home Mortgages, Inc.
To open an office at 4500 Daly Dr., Suite 200, Chantilly, VA
BFI940709 Primerica Financial Services Home Mortgages, Inc.
To open an office at 3625 VA Beach Blvd., VA Beach, VA
BFI940710 Primerica Financial Services Home Mortgages, Inc.
To open an office at 1053 Piney Forest Rd., Danville, VA
BFI940711 Primerica Financial Services Home Mortgages, Inc.
To open an office at 12718 Directors Loop, Woodbridge, VA
BFI940713 Primerica Financial Services Home Mortgages, Inc.
To open an office at 228 1/2 W. Main St., Saltville, VA
BFI940714 Primerica Financial Services Home Mortgages, Inc.
To open an office at 14120 Parke Long Court, Suite 103, Chantilly, VA
BFI940715 Primerica Financial Services Home Mortgages, Inc.
To open an office at 10560 Main St., Suite 408, Fairfax, VA
BFI940716 Primerica Financial Services Home Mortgages, Inc.
To open an office at 3251 Old Lee Highway, Suite 107, Fairfax, VA
BFI940717 Primerica Financial Services Home Mortgages, Inc.
To open an office at 15235 Boydton Plank Rd., Dinwiddie, VA
BFI940718 Primerica Financial Services Home Mortgages, Inc.
To open an office at 1210 Caroline St., Winchester, Va
BFI940719 Primerica Financial Services Home Mortgages, Inc.
To open an office at 7617 Cypress Dr., Lanexa, VA
BFI940720 Primerica Financial Services Home Mortgages, Inc.
To open an office at 10349-A Warwick Blvd., Newport News, VA
BFI940721 Primerica Financial Services Home Mortgages Inc.
To open an office at 606 Thimble Shoals Blvd., Bldg. C-2, Newport News, VA
BFI940722 Primerica Financial Services Home Mortgages, Inc.
To open an office at 11843-C Canon Blvd., Newport News, VA
BFI940723 Primerica Financial Services Home Mortgages, Inc.
To open an office at 9281 Old Keene Mill Rd., Burke, VA
BFI940724 Century Capital Mortgage Inc.
For a mortgage broker's license at 5768-A Arrowhead Dr., VA Beach, VA
BFI940725 Collateral Mortgage Ltd.
To open an office at 7231 Forest Ave., Suite 104, Highland 1 Building, Richmond, Va
BFI940726 McLean Mortgage Services Inc.
To open an office at 4900 Leesburg Pike, Suite 308, Alexandria, VA
BFI940727 Peoples National Bank of Warrenton
To convert to a state bank under name of F&M Bank-Peoples
BFI940728 Newport News Shipbuilding Employees' Credit Union
To open a service facility at 677 N. Battlefield Blvd., Chesapeake, VA
BFI940729 West Star Financial Corp.
For a mortgage license at 1635 S. Berry Knoll Blvd., Centennial Park, AZ
BFI940730 Poff, N. Thomas
To relocate office from 155 Arrowhead Trail to 360 Reading Rd., Christiansburg, VA
BFI940731 Independence Financial Mortgage Corp.
For a mortgage license at 6849 Old Dominion Dr., Suite 220, McLean, VA
BFI940732 Bankers Financial Group Inc.
For a mortgage license at 818 Roeder Rd., Suite 610, Silver Spring, MD
BFI940733 Postal, Michael A.
Alleged violation of VA Code § 6.1-416.1
BFI940734 Norwest Financial Virginia, Inc.
For a consumer finance license at 374 S. Pickett St., Alexandria, VA
BFI940735 Norwest Financial Virginia, Inc.
To conduct business loans where other business will also be conducted
BFI940736 Norwest Financial Virginia, Inc.
To conduct mortgage lending where other business will also be conducted
BFI940737 Norwest Financial Virginia, Inc.
To conduct open-end credit business where other business will also be conducted
BFI940738 Norwest Financial Virginia, Inc.
To conduct property insurance business where other business will also be conducted

BFI940739 Norwest Financial Virginia, Inc.
To conduct sales finance business where other business will also be conducted

BFI940740 First Virginia Banks Inc.
To acquire Farmers National Bancorp, 5 Church Circle, Annapolis, MD

BFI940741 Capital Finance LLC
For a mortgage broker's license at 8300 Boone Blvd., Suite 500, Vienna, VA

BFI940742 Nationscredit Financial Services Corp. of Virginia
To conduct open-end lending where other business will also be conducted

BFI940743 Nationscredit Financial Services Corp. of Virginia
To conduct property insurance business where other business will also be conducted

BFI940744 Nationscredit Financial Services Corp. of Virginia
To conduct mortgage lending where other business will also be conducted

BFI940745 Nationscredit Financial Services Corp. of Virginia
To open an office at 5007 Victory Blvd., Tabb, VA

BFI940746 Nationscredit Financial Services Corp. of Virginia
To conduct sales finance business where other business will also be conducted

BFI940747 EquiCredit Corp. of Virginia
To relocate office from 8301 Greensboro Dr., McLean, VA to 9990 Lee Jackson Highway, Fairfax, VA

BFI940748 United Mortgagee Incorporated
To relocate office from 484 Viking Dr. to 3500 VA Beach Blvd., VA Beach, VA

BFI940749 GPT Corporation t/a GPT Mortgage Corp.
For a mortgage lender's license at 1835 University Blvd. and 8300 Arlington Blvd., Adelphia, MD

BFI940750 Family Finance Corporation
For a mortgage broker's license at 3040 S. Crater Rd., Petersburg, VA

BFI940751 Family Finance Corporation
For a mortgage lender's license at 3040 S. Crater Rd., Petersburg, VA

BFI940752 B First Residential Corp.
For a mortgage license at 100 Jefferson Blvd., Suite 205, Warwick, RI

BFI940753 B First Mortgage Co., L.P.
For a mortgage license at 100 Jefferson Blvd., Suite 200, Warwick, RI

BFI940754 Loan Center Inc., The
For a mortgage lender and broker license at 1565 Mineral Spring Ave., North Providence, RI

BFI940755 Headlands Mortgage Company
For a mortgage lender and broker license at several locations

BFI940756 First Preference Mortgage Co.
Alleged violation of VA Code § 6.1-413

BFI940757 Waterford Mortgage Corp.
To open an office at 9011 Arboretum Parkway, Suite 202, Richmond, VA

BFI940758 Home Mortgage Center Inc.
To relocate office from 1700 Diagonal Rd. to 4900 Leesburg Pike, Alexandria, VA

BFI940759 Bank of Clarke County
To open an EFT at 747 Fairfax St., Stephens City, VA

BFI940760 George Mason Bank, The
To open a branch at 450 Daly Drive, Chantilly, VA

BFI940761 First Savings Mortgage Corp.
To open an office at 10812 Connecticut Ave., Kensington, MD

BFI940762 Mercury Finance Co. of Virginia
To relocate office from 15439 E. Warwick Blvd. to 12368 Jefferson Ave., Newport News, VA

BFI940763 TMC Mortgage Co., L.P.
To relocate office from 401 E. Jefferson St., Rockville, MD to 4300 East-West Highway, Bethesda, MD

BFI940764 Transamerica Financial Services, Inc.
To conduct sales finance business at serveral locations

BFI940765 Comfort Mortgage Incorporated
To relocate office from 6704 McDonough Terrace, Bowie, MD to 420B Colonial Ave., Colonial Beach, VA

BFI940766 Rayner Mortgage Company
For a mortgage broker's license at 1 Waterbury Court, Stafford, VA

BFI940767 Horizon Bank of Virginia, The
To open a branch at 527 Maple Ave., East, Vienna, VA

BFI940768 Horizon Bank of Virginia, The
To open a branch at 9720 Lee Highway, Fairfax, VA

BFI940769 Crestar Bank
To merge into it Independent Bank

BFI940770 Prime Care Credit Union, Inc.
To open a service facility at 677 N. Battlefield Blvd., Chesapeake, VA

BFI940771 Prima Care Credit Union, Inc.
To open a service facility at 998 J. Clyde Morris Blvd., Newport News, VA

BFI940772 BB&T Financial Corporation
To acquire Commerce Bank

BFI940773 Crestar Bank
To merge into it Jefferson Savings and Loan Association, FA

BFI940774 Consumer First Mortgage Inc.
To open an office at 7301 Forest Avenue, Suite 301, Richmond, VA

BFI940775 Executive Mortgage Services, Inc.
To relocate office from 3606 Forest Dr., Alexandria, VA to 7345 McWhorter Place, Annandale, VA

BFI940776 RMC Acquisition Corporation
For a mortgage lender and broker's license at 180 Summit Ave., Montvale, NJ

BFI940777 Apple Tree Mortgage Corp.
For a mortgage broker's license at 201 W. Sullivan St., Kingsport, TN

BFI940778 Mirza, Tufail M. t/a T.M. Mortgage
Alleged violation of certain provisions of Chapter 16 of Title 6.1

BFI940779 First Citizens Bancshares Inc.
To acquire Pace American Bank, Lawrenceville, VA

BFI940780 First Citizens Bancshares
New Pace American Bank to begin banking business at 112 E. Hicks St., Lawrenceville, VA

BFI940781 Security Industrial Loan Association
To relocate office from 422 E. Franklin St. to 5516 Falmouth St., Richmond, VA

BFI940782 Developers Financial Corp.
To relocate office from 8500 Leesburg Pike to 8300 Boone Blvd., Vienna, VA

BFI940783 Contimortgage Corporation
To relocate office from 149 Witmer Rd. to 500 Enterprise Rd., Horsham, PA

BFI940784 Chesapeake Bank
To open a branch at southeast corner of Route 5 and Ironbound Rd., James City County, VA

BFI940785 Sai Mortgage Inc.
For a mortgage broker's license at 10905 Equestrian Court, Suite 1, Reston, VA

BFI940786 Long Beach Mortgage Company
For a mortgage lender's license at 1100 Town and Country Rd., 6th Floor, Orange, CA

BFI940787 Virginia United Methodist Conference Credit Union
To open a service facility at 998 J. Clyde Morris Blvd., Newport News, VA

BFI940788 Beneficial Virginia Inc.
To conduct consumer finance business where sales finance business will also be conducted

BFI940789 Beneficial Virginia Inc.
To conduct consumer finance business where open-end credit will also be conducted

BFI940790 Beneficial Virginia Inc.
To conduct consumer finance business where the sale of property insurance will also be conducted

BFI940791 Beneficial Virginia Inc.
To conduct consumer finance business where business of mortgage lending will also be conducted

BFI940792 Beneficial Virginia Inc.
To conduct consumer finance business where mortgage brokering business will also be conducted

BFI940793 Beneficial Virginia Inc.
For consumer finance license at 424 Market St., Suffolk, VA

BFI940794 Beneficial Discount Co. of Virginia
To open an office at 424 Market Street, Suffolk, VA

BFI940795 Beneficial Mortgage Co. of Virginia
To open an office at 424 Market St., Suffolk, VA

BFI940796 Independence Mortgage Corp.
To relocate office from 1432 N. Great Neck Rd., Suite 102 To Suite 203, VA Beach, VA

BFI940797 Branch Banking & Trust Co. of Virginia
To open an office at 3450 Pacific Ave., VA Beach, VA

BFI940798 Commerce Bank
To merge into it Branch Banking & Trust Company of Virginia

BFI940799 Nationsbank Corporation
To acquire Consolidated Bank National Association, 900 W. 49th St., Hialeah, FL

BFI940800 Capital One Financial Corp.
To acquire 100% of the voting shares of Signet Credit Card Bank, Richmond, VA

BFI940801 Security First Funding Corp.
To relocate office from 2921 Thomas Smith Lane to 161A John Jefferson Rd., Williamsburg, VA

BFI940802 American General Finance, Inc.
To open an office at 701 Merrimac Trail, Suite K, Williamsburg, VA

BFI940803 Infinity Funding Group Inc.
To open an office at 3409 S. 17th St., Arlington, Va

BFI940804 F&M Bank-Massanutten
To merge into it F&M Bank-Broadway

BFI940805 Premier Bankshares Corp.
To acquire 100% of voting shares of Dickensen-Buchanan Bank, Haysi, VA

BFI940806 Bank of Fincastle, The
To open a branch at 191 Lee Highway South, Troutville, VA

BFI940807 Capital Access Ltd.
To relocate office from 532 N. Washington St. to 4605-E Pinecrest Office Park Dr., Alexandria, VA

BFI940808 Sunshine Inc. t/aA Southwest Mortgage Corp.
To relocate office from 8136 Old Keene Mill Rd., Suite B-100 to Suite A-207, Springfield, VA

BFI940809 Bank of Buchanan
To open a branch at the corner of Lee Highway and Mountain Pass Rd., Troutville, VA

BFI940810 American General Finance of America, Inc.
To conduct property insurance business at 701 Merrimac Trail, Suite K, York County, VA

BFI940811 American General Finance of America, Inc.
To conduct sales finance business at 701 Merrimac Trail, Suite K, York County, VA

BFI940812 American General Finance of America, Inc.
To conduct open-end lending at 701 Merrimac Trail, Suite K, York County, VA

BFI940813 American General Finance of America, Inc.
For a mortgage lending license at 701 Merrimac Trail, Suite K, York County, VA

BFI940814 American General Finance of America, Inc.
To conduct consumer finance business at 701 Merrimac Trail, Suite K, York County, VA

BFI940815 Ford Consumer Finance Co. Inc.
To an open office at 11311 Cornell Park Dr., Cincinnati, OH

BFI940816 Ameritrust Mortgage Corp.
For a mortgage broker's license at 10822 Cherry Hill Dr., Glen Allen, VA

BFI940817 Newport News Educators' Credit Union, Inc.
For a service facility at 677 N. Battlefield Blvd., Chesapeake, VA

BFI940818 California Lending Group Inc.
For mortgage lender and broker's licenses at several locations

BFI940819 RCT International Inc.
To engage in business of money transmission at 56-60 Indian River Rd., VA Beach, VA

BFI940820 Equity One Consumer Discount Co. Inc. d/b/a Equity One Consumer Loan
For a consumer finance license at 2129 S. Loudoun St., Winchester, VA

BFI940821 Equity One Consumer Discount Co. Inc. d/b/a Equity One Consumer Loan
To conduct mortgage lending at 2129 S. Loudoun St., Winchester, VA

BFI940822 Equity One Consumer Discount Co. Inc. d/b/a Equity One Consumer Loan
To conduct sales finance business at 2129 S. Loudoun St., Winchester, VA

BFI940823 Equity Capital Mortgage Inc.
To relocate office from 8229 Boone Blvd., Vienna, VA to 1313 Dolley Madison Blvd., McLean, VA

BFI940824 Citizens Mortgage Corporation
To open an office at 5616 Fishers Lane, Suite 150, Rockville, MD

BFI940825 Family Finance Corporation
To conduct property insurance business at 3040 B S. Crater Rd., Petersburg, VA

BFI940826 Ramsay Mortgage Co. of North Carolina, Inc.
To open an office at 201 N. Fairfax St., Alexandria, VA

BFI940827 Skeete, Norma M.
Alleged violation of VA Code § 6.1-416

BFI940828 TFC Financial Group Inc.
Alleged violation of VA Code § 6.1-410

BFI940829 Homeowners Mortgage Company
For a mortgage license at 739 Thimble Shoals Blvd., Suite 103, Newport News, VA

BFI940830 First Virginia Bank
To open a branch at the southeast corner of Prince William Parkway and Minnieville Blvd., Prince William County, VA

BFI940831 First Virginia Bank
To open a branch at the southeast corner of River Ridge Blvd., and Jefferson Davis Highway, Prince William County, VA

BFI940832 American General Finance of America, Inc.
For sale of non credit related term life insurance at several locations

BFI940833 State-Wide Capital Corp.
To open an office at 2010 Corporate Ridge, 7th Floor, McLean, VA

BFI940834 Approved Residential Mortgage
For a mortgage lender and broker's license at 3420 Hollad Rd. and 9881 Broken Land Parkway. VA Beach, VA

BFI940835 National Mortgage Investments Co., Inc.
To relocate office from 600 Thimble Shoals Blvd. to 11838 Rock Landing Dr., Newport News, VA

BFI940836 CJS Mortgage Services, Inc.
To open an office at 3930 Walnut St., Suite 200, Fairfax, VA

BFI940837 Newmarket Capital Corp.
To relocate office from 11166 Main St., Suite 405 to 11320 Random Hills Rd., Fairfax, VA

BFI940838 F&M Bank-Emporia
To open an EFT at I-95 and US Highway 58 West, Emporia, VA

BFI940839 Countrywide Funding Corp.
To relocate office from 1108 Madison Plaza to 1707 Parkview Dr., Chesapeake, VA

BFI940840 Infinity Funding Group Inc.
To relocate office from 1100 N. Thompson St. to 5311 W. Broad St., Richmond, VA

BFI940841 1st Professional Mortgage Inc.
For a mortgage broker's license at 1900 L St. NW, Suite 408, Washington, DC

BFI940842 Marathan Bank, The
To open a branch at 1041 Berryville Ave., Winchester, VA

BFI940843 Bank of Tidewater, The
To open a branch at 770 Lynnhaven Parkway, VA Beach, VA

BFI940844 Home Security Mortgage Corp.
To relocate office from 1700 Elton Rd., Silver Spring, MD to 915 A N. Russell Ave., Gaithersburg, MD

BFI940845 Bankers Mortgage Inc.
To relocate office from 6399 Little River Turnpike, Alexandria, VA to 2350 Arlington Ridge Rd., Arlington, VA

BFI940846 Associates Financial Services Company of Delaware, Inc.
For a mortgage lender's license at 250 E. Carpenter Freeway, Irving, TX

BFI940847 Mortgage Concepts Inc.
To relocate office from 2908 Westcott St., Falls Church, VA to 8391 Old Courthouse Rd., Vienna, VA

BFI940848 Weismiller & Associates Inc.
To relocate office from 7910 Woodmont Ave., Bethesda, MD to 8819 Kensington Parkway, Chevy Chase, MD

BFI940849 Health Services Corp. of America
To acquire 51% of Virginia Healthcare Finance Center Inc.

BFI940850 United Mortgage Corporation
To relocate office from 8081 Wolftrap Rd., Vienna, VA to 6541 Bay Tree Court, Falls Church, VA

BFI940851 F&M Bank-Peoples
To open an EFT facility at Q Stop Food Stores, 11022 Marsh Rd., Fauquier County, VA

BFI940852 GPT Corp. t/a GPT Mortgage Corp.
To relocate office from 1835 University Blvd., Suite 300 to Suite 222, Adelphia, MD

BFI940853 KFC Mortgage Loans Inc.
To open an office at 1332 Volunteer Parkway, Bristol, TN

BFI940854 Countrywide Funding Corp.
To relocate office from 750 Old Hickory Blvd., Brentwood, TN to 6400 Legacy Dr., Plano, TX

BFI940855 Commonwealth Mortgage Corp.
To relocate office from 10605 Judicial Dr. to 11350 Random Hills Rd., Fairfax, VA

BFI940856 C. U. Mortgage Centre Inc.
To relocate office from 10605 Judicial Dr. to 11350 Random Hills Rd., Fairfax, VA

BFI940857 Valley Financial Corporation
To acquire 100% of Valley Bank National Association, Roanoke, VA

BFI940858 Associates Financial Services of America, Inc.
To relocate office from 14414 Jefferson Davis Highway to 14457 Potomac Mills Rd., Woodbridge, VA

BFI940859 Masters Lending Inc.
For a mortgage broker's license at 9205 Glenbrook Rd., Fairfax, VA

BFI940860 Miners & Merchants Bank & Trust Co.
To open a branch at 1914 East Main St., Abingdon, VA

BFI940861 Freedom Financial Corporation
For a mortgage broker's license at 1350 Beverly Rd., Suite 115, McLean, VA

BFI940862 Associates Financial Services Co. of Virginia, Inc.
To relocate office from 14414 Jefferson Davis Highway to 14457 Potomac Mills Rd., Woodbridge, VA

BFI940863 International Mortgage Association, Inc.
Alleged violation of VA Code § 6.1-413

BFI940864 Chrysler Home Mortgage Corp.
For a mortgage broker's license at 1342 Baffy Loop, Chesapeake, VA

BFI940865 Priority Mortgage Inc.
For a mortgage broker's license at 3905 Fort Henry Dr., Kingsport, TN

BFI940866 Armada Residential Mortgage
For a mortgage broker's license at 5010 Dorsey Hall Dr., Suite 203, Ellicott City, MD

BFI940867 George Mason Bank, The
To establish an EFT at Fair Oaks Mall, Fairfax County, VA

BFI940868 NationsFirst Mortgage Corp.
To relocate office from 4216 Evergreen Lane, Annandale, VA to 1300 Spring St, Silver Spring, MD

BFI940869 Rockingham Heritage Bank
For a branch at 2020 S. Main St., Harrisonburg, VA

BFI940870 Southern National Corporation
To acquire the subsidary banks of BB&T Financial Corporation

BFI940871 Southern National Corporation
To acquire BB&T Financial Corporation & its Virginia subsidiary - Commerce Bank

BFI940872 McLean Mortgage Services Inc.
To open an office at 7808 Signal Hill Rd., Manassas, VA

BFI940873 Mason, Buddy D.
To acquire 50% of Salem Financial LC

BFI940874 First Dominion Federal
For a mortgage broker's license at 5811 Ipswich Rd., Bethesda, MD

BFI940875 United Companies Lending Corp. d/b/a Unicor Mortgage
Alleged violations of Chapter 16 of Title 6.1

BFI940876 Signature Mortgage Corporation
Alleged violation of VA Code § 6.1-413

BFI940877 International Mortgage Association, Inc.
To relocate office from 1232 M St., NW, Washington, DC to 4743 Malboro Pike, Coral Hills, MD

BFI940878 Parkway Mortgage Inc.
To open an office at 6810 Deerpath Rd., Suite 305, Baltimore, MD

BFI940879 1st Preference Mortgage Corp.
For mortgage broker's licenses at several locations

BFI940880 Chesapeake Bank
To open an EFT at the southwest corner of Routes 14 and 198 Matthews, VA

BFI940881 Shurr & Shurr Corp. t/a SAS Mortgage Corp.
To relocate office from 10230 New Hampshire Ave., Suite 304 to Suite 204, Silver Spring, MD

BFI940882 Security Pacific Financial Services, Inc.
To relocate office from 603 Pilot House Dr. to 550-C Oyster Point Rd., Newport News, VA

BFI940883 Veterans Home Mortgage Inc.
For a mortgage broker's license at 11602 Harvestdale Dr., Fredericksburg, VA

BFI940884 Miners & Merchants Bank & Trust Co.
To open a branch at 1987 Lee Highway, Bristol, VA

BFI940885 First Community Finance Inc.
To begin business at 59 S. Airport Dr., Highland Springs, VA

BFI940886 First Community Finance Inc.
To begin business at 9903 Hull Street Road, Richmond, VA

BFI940887 Crestar Bank
To open an EFT at 2000 Richfood Road, Hanover County, VA

BFI940888 First Community Finance, Inc.
To conduct consumer finance business where property insurance business will also be conducted

BFI940889 First Community Finance, Inc.
To conduct consumer finance business where sales finance business will also be conducted

BFI940890 Security Capital Inc.
For a mortgage lender and broker's license at 5515 Cherokee Ave., Alexandria, VA

BFI940891 1st American Financial Services
For a mortgage lender and broker's license at 4700 Berwyn House Rd., College Park, MD

BFI940892 National Mortgage Investment Co., Inc.
Alleged violation of VA Code § 6.1-416

BFI940893 Premier Trust Company
To begin business at 29 College Dr., Bluefield, VA

BFI940894 Salem Financial, L.C.
To relocate office from 4747 Lantern St., Roanoke, VA to 110 E. 1st St., Salem, VA

BFI940895 Medallion Mortgage Company
To open an office at 50 Berkshire Court, #209, Wyomissing, PA

BFI940896 Innovative Mortgage Corp.
For a mortgage lender and broker's license at 2525 Raeford Rd. and Highway 52, Fancy Gap, VA

BFI940897 United Southern Mortgage Corp. of Roanoke, Virginia
To relocate office from 408 Oakmears Crescent, VA Beach, VA to 230 W. Main St., Wakefield, VA

BFI940898 Acquisition Services Inc. t/a Treasury Mortgage Group, Inc.
To relocate office from 98 Kilby Shores Dr. to 15480 Holland Rd., Suffolk, VA

BFI940899 Signet Bank/Virginia
To open a branch at 16575 Mountain Rd., Montpelier, VA

BFI940900 Virginia Mortgage Corporation
To relocate office from 100 Rodriguez Dr. to 1604 Hilltop West, Executive Center, VA Beach, VA

BFI940901 Community Bank of Northern Virginia
To open a branch at 8075 Leesburg Pike, Vienna, VA

BFI940902 Mortgage Processing Service
For a mortgage broker's license at 6901 Confederate Ridge Lane and 6124 Old Landing Way Centreville, VA

BFI940903 Household Realty Corporation
To open an office at 577 Lamont Road, Elmhurst, IL

BFI940904 Treehouse Mortgage Inc.
For a mortgage broker's license at 11805 Duck Circle, Spotsylvania, VA

BFI940905 Corporate Mortgage Services
For a mortgage broker's license at 12412 Powerscourt Dr., Suite 175, St Louis, MO

BFI940906 Midcoast Mortgage Corporation
To open an office at 8221 Old Courthouse Rd., Suite 105, Vienna, VA

BFI940907 Home Security Mortgage Corp.
To relocate office from 6320 Augusta Dr., Springfield, VA to 4337 Ridgewood Center Dr., Woodbridge, VA

BFI940908 Browning, Gary W.
For a mortgage broker's license at 5701 Princess Anne Rd., Suite 200, VA Beach, VA

BFI940909 Cornerstone Mortgage Inc.
To open an office at 8628 Centreville Rd., Suite 102, Manassas, VA

BFI940910 Cornerstone Mortgage Inc.
To relocate office from 3900 Jermantown Rd., Fairfax, VA to 6205 Sierra Court, Manassas, VA

BFI940911 Pan-American Mortgage Company
To relocate office from 243 Church St., Vienna, VA to 299 Herndon Parkway, Herndon, VA

BFI940912 Crestar Bank
To merge into it Tidewater Bank

BFI940913 Crestar Financial Corp.
To acquire Tidewater Bank

BFI940914 Bank of Sussex & Surry, The
To open an EFT at 521-541 County Drive, Wakefield, VA
BFI940915 Home Loan Corporation
For a mortgage lender and broker's license at 46405 Ester Brook Circle, Sterling, VA
BFI940916 Greentree Mortgage Company LP
For a mortgage lender's license at 10005 Atriums at Greentree, Marlton, NJ
BFI940917 Capstead Inc.
For a mortgage lender's license at 2711 N. Haskell Ave., Suite 1000, Dallas, TX
BFI940918 Performance Investment Corp.
To relocate office from 13890 Braddock Rd, #203, Centreville, VA to 11130 Main St, #200, Fairfax, VA
BFI940919 JHS Mortgage Corporation
For a mortgage lender and broker's license at 29 N. Fairview Ave., Paramus, NJ
BFI940920 Household Realty Corporation
To relocate office from 3627 Franklin Row, SW, Roanoke, VA to 1378 Town Square Blvd., #203, Roanoke, VA
BFI940921 Seasons Mortgage Group Inc.
For a mortgage lender's license at 804 Moorefield Park Dr., Suite 302, Richmond, VA
BFI940922 First National Bank of Ferrum
To convert to a state bank at 1 Main St., Ferrum, VA
BFI940923 Takoma Financial Services Inc.
To relocate office from 408 Mississippi Ave., Takoma Park, MD to 2503 Patricia Court, Falls Church, VA
BFI940924 Pace American Bank
To open a branch at 1809 Main St., Victoria, VA
BFI940925 Pace American Bank
To open a branch at 116 Main St., Crewe, VA
BFI940926 Pace American Bank
To open a branch at 35 Main St., Brodnax, VA
BFI940927 Pace American Bank
To open a branch at 242 N. Main St., Chase City, VA
BFI940928 Pace American Bank
To open a branch at 130 East Main St., Bedford, VA

CLK: CLERK'S OFFICE

CLK940022 Election of Chairman
Pursuant to VA Code § 12.1-7
CLK940414 Secure Services Technology, Inc.
Foreign max case stimulus
CLK940542 KWF Industries, Inc.
Foreign max case stimulus
CLK940787 Xyvision, Inc.
Foreign max case stimulus
CLK940829 Peake Operating Company
Foreign max case stimulus
CLK940838 Certi-Fresh Foods, Inc.
Foreign max case stimulus
CLK940839 Smarte Carte, Inc.
Foreign max case stimulus
CLK940840 Stop & Shop Holdings, Inc.
Foreign max case stimulus
CLK940843 TBG Insurance Services Corp.
Foreign max case stimulus
CLK940844 Another Image, Inc.
Foreign max case stimulus
CLK940846 Aqua Cool Enterprises, Inc.
Foreign max case stimulus
CLK940847 Mortgage Information Services
Foreign max case stimulus
CLK940848 Innovative Trade, Inc.
Foreign max case stimulus
CLK940849 Phonetel Technologies, Inc.
Foreign max case stimulus
CLK940887 Continental Airlines, Inc.
Foreign max case stimulus
CLK940889 International Dismantling
Foreign max case stimulus
CLK940937 Nelms Properties, Inc.
For involuntary dissolution pursuant to VA Code § 13.1-749
CLK941007 IBS Management Training Center
Foreign max case stimulus

INS: BUREAU OF INSURANCE

INS940001 Settlers Life Insurance Co.
Alleged violation of VA Code § 38.2-1408

INS940002 Metro Insurance Agency Inc.
Alleged violation of VA Code §§ 38.2-1813 and 38.2-2015

INS940003 Mutual Benefit Life Insurance Co.
Alleged violation of VA Code § 38.2-1300

INS940004 Richardson, Charles Jr. and Richardson Insurance Agency, The
Alleged violation of VA Code § 38.2-1813

INS940005 Lapradd, James C.
Alleged violation of VA Code § 38.2-1822

INS940006 Erie Insurance Exchange & Erie Insurance Co.
For review of Bureau of Insurance decision which disallowed cos. from taking 1990-1991 guaranty fund credits against 1992 premium tax liability

INS940007 Gospel Assembly Ministers Fund
For operating without an exemption from licensing

INS940008 United Way of the Virginia Peninsula Health & Dental Plan
For noncompliance with laws and regulations

INS940009 Thomas, George R. III
Alleged violation of VA Code § 38.2-1813

INS940010 Pacific Standard Life Insurance Co.
For approval of reinsurance agreement pursuant to VA Code § 38.2-136.C

INS940011 Dairyland Insurance Company
Alleged violation of VA Code §§ 38.2-305, et al.

INS940012 Dairyland Insurance Co.
Alleged violation of VA Code §§ 38.2-305, et al.

INS940013 Medical Claims Review Services, Inc.
Alleged violation of VA Code § 38.2-5301

INS940014 Ex Parte: Form
Adoption of supplemental report form pursuant to VA Code § 38.2-1905.2

INS940015 Settlers Life Insurance Co.
For exemption from provisions of VA Code §§ 38.2-1323 through 38.2-1327

INS940016 Dawson, Steve and Auto Insurance Plus Multi-Line Agency, Inc.
Alleged violation of VA Code § 38.2-1813

INS940017 Jordan, Curtis E.
Alleged violation of VA Code § 38.2-1813

INS940018 Employers Resource Management Co. and American Employers Benefit Trust
Alleged violation of Rules Governing Multiple Employer Welfare Arrangements

INS940020 Griggs, Randolph J.
Alleged violation of VA Code § 38.2-1813

INS940021 Harrell, Edward H., Jr.
Alleged violation of VA Code §§ 38.2-1813.A and 38.2-1813.B

INS940022 Booker, Jacqueline G.
Alleged violation of VA Code § 38.2-512

INS940023 Silvestri, Joseph A.
Alleged violation of VA Code § 38.2-1831

INS940024 Superior Insurance Company
Alleged violation of VA Code §§ 38.2-510.A.6, et al.

INS940025 American Casualty Company of Reading Pennsylvania
Alleged violation of VA Code §§ 38.2-1906, et al.

INS940026 Continental Casualty Company
Alleged violation of VA Code §§ 38.2-1906, et al.

INS940027 Erie Insurance Exchange
Alleged violation of VA Code §§ 38.2-317, et al.

INS940028 National Fire Insurance Co.-Hartford
Alleged violation of VA Code §§ 38.2-1906, et al.

INS940029 Phoenix Assurance Co. of New York
Alleged violation of VA Code § 38.2-1906

INS940030 Valley Forge Insurance Company
Alleged violation of VA Code §§ 38.2-1906, et al.

INS940031 Carter, Donald A.
Alleged violation of VA Code §§ 38.2-1822, 38.2-1813, 38.2-310 and 38.2-180

INS940032 Home Insurance Co., The
Alleged violation of VA Code §§ 38.2-1833 and 38.2-1812

INS940033 Sisk, David L.
Alleged violation of VA Code § 38.2-512

INS940034 Group Health Association Inc.
For suspension of license to transact business of insurance in Virginia

INS940035 HAA of Virginia, Inc.
Alleged violation of VA Code § 38.2-1331

INS940036 Commonwealth Dealers Life Insurance
Alleged violation of VA Code § 38.2-3162.B
INS940037 Blue Cross & Blue Shield of Virginia
Alleged violation of VA Code § 38.2-509
INS940038 Sunderbruch Corporation, The
Alleged violation of VA Code § 38.2-5301
INS940039 Metropolitan Life Insurance Co.
Alleged violation of VA Code §§ 38.2-502.1 and 38.2-503
INS940040 Naghmi, Fouad and Allied Insurance Associates, Inc.
Alleged violation of VA Code §§ 38.2-310, et al.
INS940041 Mid-Atlantic Insurance Corp.
Alleged violation of VA Code §§ 38.2-305, et al.
INS940042 Professional Evaluation Group
Alleged violation of VA Code § 38.2-5301
INS940043 George Washington University Health Plan, The
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS940044 Pioneer Life Insurance Co. of Illinois
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS940045 Denticare of Virginia Inc.
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS940046 Ex Parte: Refunds
In matter of refunding overpayment of estimated premium license tax and assessment pursuant to VA Code §§ 58.1-2526 and 38.2-410.B
INS940047 Martin, Jerry L.
Alleged violation of VA Code §§ 38.2-502.1 and 38.2-512
INS940048 Siler, Miles M.
Alleged violation of VA Code § 38.2-1831
INS940049 Dent-Rite Enterprises
Alleged violation of operating without license
INS940050 Grainger, Larry G.
Alleged violation of VA Code § 38.2-512
INS940051 Hall, Rickey S.
Alleged violation of VA Code § 38.2-1813
INS940052 Gulf Atlantic Insurance Co.
Alleged violation of VA Code §§ 38.2-316, 38.2-1024, and 38.2-1027
INS940053 Peterson, John M. and Crown Insurance Agency Inc.
Alleged violation of VA Code §§ 38.2-1813.A and 38.2-1813.B
INS940054 Hill, Roger
Alleged violation of VA Code §§ 38.2-512 and 38.2-1813
INS940055 Brown, Connie H.
Alleged violation of VA Code § 38.2-1813
INS940056 Harrell, Jennifer R. and Harrell Insurance Agency, Inc.
Alleged violation of VA Code §§ 38.2-2015, et al.
INS940057 United Dental Services of Virginia, Inc.
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS940058 Agway Inc. as Trustee of Agway Inc. Group Trust
Alleged violation of VA Code §§ 38.2-1024 and 38.2-1802
INS940059 McGee, Reuben
Alleged violation of VA Code § 38.2-1813
INS940060 American Integrity Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C
INS940061 Great American Insurance Co.
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1833
INS940062 Silverman, Daniel
Alleged violation of VA Code § 38.2-1831
INS940063 Group Health Association
For suspension of license to transact business as a health maintenance organization in Virginia
INS940064 Tapco Underwriters Inc.
Alleged violation of VA Code §§ 38.2-4806, 38.2-4809, and 38.2-1822
INS940065 Bartholomew Corporation
For review of decision by National Council on Compensation Insurance pursuant to VA Code § 38.2-2018
INS940066 Wilcon, Ltd. and Suburban Cable Co.
For review of decision by National Council on Compensation Insurance pursuant to VA Code § 38.2-2018
INS940067 Equitable Life Assurance Society of the United States, Inc.
Alleged violation of VA Code § 38.2-3419.1
INS940068 Travelers Indemnity Company of Rhode Island
For correction of retaliatory taxes paid for tax year 1991
INS940070 Brogdon, William Leon
Alleged violation of VA Code §§ 38.2-1804, 38.2-1809, and 38.2-1813
INS940071 United American Insurance Co.
Alleged violation of VA Code § 38.2-612.1

INS940072 Northern Insurance Co. of New York
Alleged violation of VA Code § 38.2-1906
INS940073 Valiant Insurance Company
Alleged violation of VA Code § 38.2-1906
INS940074 Assurance Company of America
Alleged violation of VA Code § 38.2-1906
INS940075 Maryland Casualty Company
Alleged violation of VA code § 38.2-1906
INS940076 Alston, W. Lorenzo
Alleged violation of VA Code § 38.2-1826
INS940077 United Services Automobile Association
Alleged violation of VA Code § 38.2-610
INS940078 Premier Alliance Insurance Co.
For suspension order for failure to file 1993 annual statement
INS940079 Professional Mutual Insurance Co., A risk retention group
Alleged violation of VA Code § 38.2-5103.8.B
INS940080 American Interfidelity Exchange, A risk retention group
Alleged violation of VA Code § 38.2-5103.8.B
INS940081 Summit National Life Insurance Co.
For suspension of license to transact business of insurance in Virginia
INS940082 Settlers Life Insurance Co.
Alleged violation of VA Code §§ 38.2-508.2 and 38.2-610.A.1
INS940083 North Carolina Mutual Life Insurance Co.
Alleged violation of VA Code § 38.2-1805.A
INS940084 American Integrity Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C
INS940085 American Integrity Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C
INS940086 United Service Association for Healthcare Manufacturing Industry Benefit Trust
Alleged violation of Rules Governing Multiple Employer Welfare Arrangements
INS940087 United Service Association for Healthcare Agriculture Industry Benefit Trust
Alleged violation of Rules Governing Multiple Employer Welfare Arrangements
INS940088 United Service Association for Healthcare Retail Industry Benefit Trust
Alleged violation of Rules Governing Multiple Employer Welfare Arrangements
INS940089 United Service Association for Healthcare Service Industry Benefit Trust
Alleged violation of Rules Governing Multiple Employer Welfare Arrangements
INS940090 United Service Association for Healthcare Wholesale Industry Benefit Trust
Alleged violation of Rules Governing Multiple Employer Welfare Arrangements
INS940091 United Service Association for Healthcare Construction Industry Benefit Trust
Alleged violation of Rules Governing Multiple Employer Welfare Arrangements
INS940092 United Service Association for Healthcare Transportation Industry Benefit Trust
Alleged violation of Rules Governing Multiple Employer Welfare Arrangements
INS940093 International Association of Entrepreneurs of America Employee Welfare Benefit Plan & Trust
For order pursuant to VA Code § 12.1-13
INS940094 Independent Life & Accident Insurance Co.
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1822
INS940095 Smith, James E. and J.E. Smith & Associates, Inc.
Alleged violation of VA Code § 38.2-1813
INS940096 Ex Parte: Prima Facie Rates
Adoption of adjusted prima facie rates for credit life, accident and sickness insurance pursuant to VA Code §§ 38.2-3725, et al.
INS940097 Investors Consolidated Insurance Co.
Alleged violation of Section 4.6 of Rules Governing Insurance Premium Finance Companies
INS940098 Mataraza, Damian G.
Alleged violation of VA Code § 38.2-1813
INS940099 Legal Resources of Virginia
Alleged violation of VA Code §§ 38.2-316.A, et al.
INS940100 Ginieis, Mauricio S.
Alleged violation of VA Code § 38.2-1813
INS940101 National Council on Compensation Insurance, Inc.
For revision of advisory loss costs and assigned risk workers' compensation insurance rates
INS940102 Hamby, Howard
Alleged violation of VA Code § 38.2-1813
INS940103 American Manufacturers Mutual Insurance Co., et al.
Alleged violation of VA Code §§ 38.2-1822, et al.
INS940104 Ex Parte: Determination
Determination of competition as effective regulator of rates pursuant to VA Code § 38.2-1905.1.E
INS940105 State Capital Insurance Co.
Alleged violation of VA Code § 38.2-1300
INS940106 LMI Insurance Company
Alleged violation of VA Code § 38.2-1300

INS940107 Estate Assurance Company
Alleged violation of VA Code § 38.2-1300

INS940108 Blue Cross/ and Blue Shield of Virginia
Alleged violation of unfair trade practices, insurance information and privacy protection act

INS940109 Rooney, Donald F.
Alleged violation of VA Code §§ 38.2-1812, et al.

INS940110 Baker, Grace M. and Tidewater Insurance Agency, Inc.
Alleged violation of VA Code § 38.2-1813

INS940111 Tafco Inc.
Alleged violation of Section 6.1 of Rules Governing Insurance Premium Finance Companies

INS940112 Mid-Atlantic Finance Corp. of Virginia, Inc.
Alleged violation of Section 6.1 of Rules Governing Insurance Premium Finance Companies

INS940113 Prime Rate Premium Finance Corp., Inc.
Alleged violation of Section 6.1 of Rules Governing Insurance Premium Finance Companies

INS940114 Ex Parte: Rules
In matter of adopting revised rules governing insurance holding companies

INS940115 Hartless, Mark A.
Alleged violation of VA Code § 38.2-1833.4

INS940116 Lincoln Memorial Life Insurance Co.
Alleged violation of VA Code §§ 38.2-1028 and 38.2-1040

INS940117 Capital Investors Life Insurance Co.
Alleged violation of VA Code § 38.2-1036

INS940118 U.S. Health & Life Insurance Co., Inc.
Alleged violation of VA Code § 38.2-1036

INS940119 Sterling Investors Life Insurance Co.
Alleged violation of VA Code § 38.2-1036

INS940120 Union Benefit Life Insurance Co.
Alleged violation of VA Code § 38.2-1036

INS940121 Atlanta International Insurance Co.
Alleged violation of VA Code § 38.2-1036

INS940122 Mutual Life Insurance Co. of Washington, DC
Alleged violation of VA Code § 38.2-1036

INS940123 International Financial Services Life Insurance Co.
Alleged violation of VA Code § 38.2-1036

INS940124 Koln Life Insurance Co.
Alleged violation of VA Code § 38.2-1036

INS940125 Atlas Insurance Company
Alleged violation of VA Code § 38.2-1036

INS940126 Amerifirst Insurance Co.
Alleged violation of VA Code § 38.2-1036

INS940127 Universal Insurance Company
Alleged violation of VA Code § 38.2-1036

INS940128 Inland Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1036

INS940129 American Capital Life Insurance Co.
Alleged violation of VA Code § 38.2-1036

INS940130 First Continental Life and Accident Insurance Co.
Alleged violation of VA Code §§ 38.2-1028 and 38.2-1040

INS940131 United Community Insurance Co.
For suspension of license to transact business of insurance in Virginia pursuant to VA Code § 38.2-1040

INS940132 Life of America Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C

INS940133 Toyota Motor Life Insurance Co.
For suspension of license to transact business of insurance in Virginia pursuant to VA Code § 38.2-1040

INS940134 Investors Equity Insurance Co.
For suspension of license to transact business of insurance in Virginia pursuant to VA Code § 38.2-1040

INS940135 Eastern Shore of Virginia Fire Insurance Co., Inc.
For suspension of license to transact business of insurance in Virginia pursuant to VA Code § 38.2-1040

INS940136 Humphrey, William Jr.
Alleged violation of VA Code §§ 38.2-310, 38.2-1813, et al.

INS940138 Prudential Property and Casualty
Alleged violation of VA Code § 38.2-612.1

INS940139 Investment Life Insurance Co. of America
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C

INS940140 Thompson, Mark E. and Cris Insurance Agency, Inc.
Alleged violation of VA Code §§ 38.2-1838 and 38.2-1822

INS940141 Harris, Bobbie Paulette
Alleged violation of VA Code § 38.2-1813

INS940142 O'Grady, Thomas D.
Alleged violation of VA Code § 38.2-1813

INS940143 Timberlake, John M.
Petition for judgment against Metropolitan Insurance and Annuity Co.

INS940144 First Equicor Life Insurance Co.
In matter of refunding overpayment of assessment pursuant to VA Code § 38.2-410.B

INS940145 American Capital Assurance Co., et al.
Alleged violation of VA Code § 38.2-1024

INS940146 Blue Cross and Blue Shield of Virginia d/b/a Trigon Blue Cross Blue Shield
Alleged violation of VA Code §§ 38.2-316.B, et al.

INS940147 Ex Parte: Rules
Adoption of revised Rules Governing Reporting of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers

INS940148 Confederation Life Insurance and Annuity Co.
For suspension of license to transact business of insurance in Virginia pursuant to VA Code § 38.2-1040

INS940149 National Insurance Underwriters
For revocation of license pursuant to VA Code § 38.2-1213

INS940150 American Bonding Company
For suspension of license to transact business of insurance in Virginia pursuant to VA Code § 38.2-1040

INS940151 Southern Insurance Co. of Virginia
Alleged violation of VA Code § 38.2-1329

INS940153 Moss, John L.
Alleged violation of VA Code § 38.2-1833.4

INS940154 Combined Insurance Co. of America
Alleged violation of VA Code § 38.2-1835

INS940155 Paul Revere Life Insurance Co.
In matter of refunding overpayment of premium license tax pursuant to VA Code 58.1-2030

INS940156 Allman, Amos C.
Alleged violation of VA Code § 38.2-512

INS940157 Blue Cross and Blue Shield of Virginia d/b/a Trigon Blue Cross Blue Shield
Alleged violation of VA Code §§ 38.2-316.B, et al.

INS940158 Blue Cross and Blue Shield of Virginia d/b/a Trigon Blue Cross Blue Shield
Alleged violation of VA Code §§ 38.2-316.B, et al.

INS940159 Blue Cross and Blue Shield of Virginia d/b/a Trigon Blue Cross Blue Shield
Alleged violation of VA Code §§ 38.2-316.B, et al.

INS940160 Blue Cross and Blue Shield of Virginia d/b/a Trigon Blue Cross Blue Shield
Alleged violation of VA Code §§ 38.2-316.B, et al.

INS940161 Blue Cross and Blue Shield of Virginia d/b/a Trigon Blue Cross Blue Shield
Alleged violation of VA Code §§ 38.2-316.B, et al.

INS940162 Virginia Farm Bureau Mutual Insurance Co. and Virginia Farm Bureau Fire and Casualty Co.
For proposed recapitalization pursuant to VA Code § 38.2-1331

INS940163 GE Capital Mortgage Corp.
For exemption pursuant to VA Code § 38.2-1328

INS940164 Gatling, Leslie Thomas
Alleged violation of VA Code § 38.2-1813

INS940165 Ex Parte: Refunds
Refunding overpayments of flood prevention and protection assistance fund assessment based on direct gross premium income of insurance companies for 1993

INS940166 Ex Parte: Refunds
In matter of refunding overpayments of fire programs fund assessment based on direct gross premium income of insurance companies for 1993

INS940167 Ex Parte: Refunds
In matter of refunding overpayments of premium license tax on direct gross premium income of surplus lines brokers for 1993

INS940168 Ex Parte: Refunds
Refunding overpayments of Help Eliminate Automobile Theft (HEAT) fund assessment based on direct gross premium income of insurnace companies for 1993

INS940169 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

INS940170 Ex Parte: Refunds
In matter of refunding overpayments of premium license tax on direct gross premium income of insurance companies for 1993

INS940171 Baughman, Allen E.
Alleged violations of VA Code § 38.2-1813, subsection A and B

INS940172 Gallagher, Daniel K.
Alleged violation of VA Code §§ 38.2-509 and 38.2-1838

INS940173 United One Home Protection Corp. of Virginia
Alleged violation of VA Code §§ 38.2-305.A, et al.

INS940174 American Centennial Insurance
Alleged violation of VA Code § 38.2-1905.2

INS940175 American Loyalty Insurance Co.
Alleged violation of VA Code § 38.2-1905

INS940176 American Reliable Insurance Co.
Alleged violation of VA Code § 38.2-1905.2

INS940177 American Resources Insurance
Alleged violation of VA Code § 38.2-1905.2

INS940178 Amex Assurance Company
Alleged violation of VA Code § 38.2-1905.2
INS940179 Automobile Club Insurance
Alleged violation of VA Code § 38.2-1905.2
INS940180 Bankers Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS940181 BCS Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS940182 Credit General Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS940183 General Electric Guaranty Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS940184 Herald Fire Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS940185 Legion Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS940186 London Guarantee and Accident Co. of New York
Alleged violation of VA Code § 38.2-1905.2
INS940187 Nordstern Insurance Company of America
Alleged violation of VA Code § 38.2-1905.2
INS940188 Skandia America Reinsurance Corp.
Alleged violation of VA Code § 38.2-1905.2
INS940189 State Capital Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS940190 Sumitomo Marine and Fire Insurance Co. Ltd.
Alleged violation of VA Code § 38.2-1905.2
INS940191 Thomas Jefferson Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS940192 Toyota Motor Insurance Co.
Alleged violation of VA Code § 38.2-1905.2
INS940193 US Capital Insurance Company
Alleged violation of VA Code § 38.2-1905.2
INS940194 American Casualty Co. of Reading, Pennsylvania
Alleged violation of VA Code § 38.2-317
INS940195 Atlanta Casualty Company
Alleged violation of VA Code § 38.2-1906
INS940196 Brotherhood Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS940197 Brotherhood Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS940198 Brotherhood Mutual Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS940199 National Fire Insurance Co. of Hartford
Alleged violation of VA Code § 38.2-317
INS940200 Valley Forge Insurance Company
Alleged violation of VA Code § 38.2-317
INS940201 Virginia Farm Bureau Mutual
Alleged violation of VA Code §§ 38.2-231, et al.
INS940202 Herbert, Routhine H.
Alleged violation of VA Code § 38.2-1813
INS940203 MIC Property and Casualty Insurance Corp.
Alleged violation of VA Code § 38.2-1906
INS940204 Ex Parte: Rules
In the matter of adopting revised Rules Establishing Standards For Life, Annuity, and Accident and Sickness Reinsurance Agreements
INS940205 Ex Parte: Rules
In the matter of adopting Rules Governing Essential and Standard Health Benefit Plan Contracts
INS940206 Lien, Vo
Alleged violation of VA Code §§ 38.2-2015 and 38.2-1813
INS940207 Virginia Birth Related Neurological Injury Compensation Program
For approval of revised plan of operation pursuant to VA Code § 38.2-5017
INS940208 Home Idemnity Company, The
Alleged violation of VA Code § 38.2-1906
INS940211 National Union Fire Insurance Co. of Pittsburgh, Pennsylvania
Alleged violation of VA Code §§ 38.2-317 and 38.2-1906
INS940212 TIG Insurance Company
Alleged violation of VA Code § 38.2-317
INS940213 Kolb, Dwayne A.
Alleged violation of VA Code § 38.2-512
INS940214 Ashworth, Willis Louis
Alleged violation of VA Code §§ 38.2-1809, 38.2-1813, et al.

INS940215 Centennial Life Insurance Co., The
Alleged violation of VA Code §§ 38.2-502.1, 38.2-502.4, et al.
INS940216 Michigan Life and Health Insurance Guaranty Association
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C
INS940217 Manufacturers Life Insurance Co. of America, The
Alleged violation of VA Code § 38.2-1036
INS940218 HOW Insurance Company
For rule to show cause
INS940221 Home Indemnity Co., The
Alleged violation of VA Code § 38.2-1906
INS940222 Front Royal Insurance Company
Alleged violation of VA Code § 38.2-1300
INS940223 MD-Individual Practice Assocation, Inc. and Optimum Choice, Inc.
Alleged violation of VA Code §§ 38.2-3431 and 38.2-3432
INS940224 Republic Mortgage Insurance Co. of Florida
Alleged violation of VA Code § 38.2-1036
INS940225 Mutual Security Life Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C
INS940226 Louisa Farmers Fire Insurance Co., The
Alleged violation of VA Code § 38.2-2515
INS940227 United States Fire Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS940228 North River Insurance Co., The
Alleged violation of VA Code § 38.2-1906
INS940229 Niagara Fire Insurance Company
Alleged violation of VA Code § 38.2-1906
INS940230 Kansas City Fire and Marine Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS940231 Boston Old Colony Insurance
Alleged violation of VA Code § 38.2-1906
INS940232 Glens Falls Insurance Company
Alleged violation of VA Code § 38.2-1906
INS940233 Continental Insurance Company
Alleged violation of VA Code § 38.2-1906
INS940234 Marshall, Taylor and Marshall Insurance Agency
Alleged violation of VA Code § 38.2-512
INS940235 Larmore, Roland R., Jr. and Larmore Insurance Agency, Inc.
Alleged violation of VA Code § 38.2-1813
INS940236 Spann, Judy T.
Alleged violation of VA Code §§ 38.2-502.1 and 38.2-512
INS940237 Ex Parte: Assessment
Assessment upon certain companies and surplus lines brokers to pay expense of Bureau of Insurance for calendar year 1995
INS940238 Frye, Tyrone P.
Alleged violation of VA Code § 38.2-509
INS940241 National American Life Insurance Co. of Pennsylvania
Alleged violation of VA Code § 38.2-1036
INS940242 Summit National Life Insurance Co.
For approval of assumption reinsurance agreement pursuant to VA Code § 38.2-136.C
INS940243 Founders Village Inc.
Alleged violations of VA Code § 38.2-4909
INS940244 Friendship Manor
Alleged violation of VA Code § 38.2-4904
INS940245 Virginia Insurance Reciprocal, The
Alleged violation of VA Code § 38.2-1446
INS940246 Cigna Healthcare of Virginia Inc.
Alleged violation of Section 7.L of Rules Governing Health Maintenance Organizations
INS940247 United Pacific Insurance Co.
Alleged violation of VA Code § 38.2-1906
INS940248 Reliance National Indemnity Co.
Alleged violation of VA Code § 38.2-1906
INS940249 Reliance Insurance Company
Alleged violation of VA Code § 38.2-1906
INS940250 Fidelity and Deposit Co. of Maryland
Alleged violation of VA Code § 38.2-1906
INS940251 Insurance Company of Florida
Alleged violation of VA Code § 38.2-1300
INS940253 Old Colony Life Insurance Co.
For approval of an assumption of reinsurance agreement pursuant to VA Code § 38.2-136.C
INS940254 Andrew Gemeny and Son Inc.
Alleged violation of VA Code §§ 38.2-1822 and 38.2-1812

INS940255 Montgomery Mutual Insurance Co.
Alleged violation of VA Code §§ 38.2-1812 and 38.2-1833

MCA: MOTOR CARRIER DIVISION - AUDITS

MCA940001 Cvetan, Steven and Joseph t/a Cvetan Brothers
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940002 Horizon Freight Systems Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940003 Pepsico Inc.
Alleged violation of VA Code § 58.1-2700
MCA940004 Eastern Express, Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940006 Quantum Chemical Corp. t/a Suburban Propane Division
Alleged violation of VA Code § 56-331 and 58.1-2708
MCA940007 Universal Trucking, Inc.
Alleged violation of VA Code § 58.1-2700
MCA940009 Transport Agency, Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940010 Via Trucking, Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940011 Oliver Trucking Corp.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940012 Don's Trucking Co.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940013 Automotion Car Carrier Service, Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940014 Ward, Bennett, Jr. Trucking Co., Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940015 Design Time Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940016 General Electric Transportation Services, Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940017 Wellman, Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940018 American Truck Lines Inc.
For failure to pay omitted taxes
MCA940019 American Central Transport Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940020 Mercer Transportation Co.
Alleged violation of VA Code § 58.1-2704
MCA940021 C W Campo t/a C W Trucking
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940022 H C Sims & Son, Inc. t/a Sim's Trucking
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940023 Allied Van Lines, Inc.
For refund of motor fuel taxes
MCA940025 Concrete Trucking Service
Alleged violation of VA Code § 58.1-2704
MCA940026 Hydro Group, Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940027 Triad Transport Inc.
For failure to pay omitted taxes
MCA940028 C&N Evans Trucking, Inc.
For failure to pay omitted taxes
MCA940029 TPL Freightways Inc.
For failure to pay omitted taxes
MCA940030 Mural Transport Inc.
For failure to pay omitted taxes
MCA940031 Highway Pipeline Trucking Co.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940032 Mayflower Transit, Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940033 Dowell Schlumberger, Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940035 Southwest Truck Leasing, Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940036 Young Moving & Storage, Inc.
Alleged violation of VA Code § 58.1-2700
MCA940037 DSI Transports Inc. #600
Alleged violation of VA Code §§ 56-331 and 58.1-2708

MCA940038 Paccar Leasing Corp.
For refund of motor fuel road taxes pursuant to VA Code § 58.1-2035
MCA940039 Trism Specialized Carriers Inc.
Alleged violation of VA Code § 58.1-2700
MCA940040 H C Sims & Son, Inc. t/a Sims Trucking
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940041 Carroll Fulmer & Co., Inc.
Alleged violation of VA Code §§ 58.1-2700 et seq.
MCA940042 Sanders, Dennis Neil t/a Sanders Trucking
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940043 Addison Foods Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940045 Trans-American Trucking Service, Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940046 Trism Specialized Carriers Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940047 Jamestown Sterling Corporation
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940048 Ringer Trucking Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940049 Billy M. Arnold Inc.
Alleged violation of VA Code § 58.1-2700
MCA940050 Bowen Trucking, Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940051 Paccar Leasing Corporation
For refund of motor fuel road taxes pursuant to VA Code § 58.1-2030
MCA940052 Mason & Dixon Lines, Inc.
For refund of motor fuel road taxes pursuant to VA Code § 58.1-2030
MCA940053 MJC Group, Inc. t/a Goose Creek Transport
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940054 Morgan Freight, Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940055 McLane Company Inc.
For refund of overpayment of motor fuel road use taxes
MCA940056 Hale, Richard M. t/a D&J Hale & Son
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940057 Tango Transport, Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940058 Mike Williams Transfer Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940059 Virginia Hiway Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940060 May Trucking Co.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940061 Jack Gray Transport Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940062 Holston Steel Services Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940063 National Carriers Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940064 Gray Line Express
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940065 Harvey, Olen
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940066 Noble Graham Transport Inc.
Alleged violation of VA Code §§ 56-331 and 58.1-2708
MCA940067 Gateway Freight Systems Inc.
Alleged violation of VA Code §§ 58.1-2700, et seq.
MCA940068 Smithfield Transportation Co., Inc.
Alleged violation of VA Code § 58.1-2700
MCA940069 Manning Services Inc.
Alleged violation of VA Code § 58.1-2704
MCA940070 Elkay Inc.
Alleged violation of VA Code § 58.1-2700
MCA940071 Port Norris Express Co.
Alleged violation of VA Code § 58.1-2700
MCA940072 Crane, Byrd L. and Marvin E. Sr. t/a Crane Brothers
Alleged violation of VA Code § 58.1-2700

MCE: MOTOR CARRIER DIVISION - ENFORCEMENT

MCE940029 Shamrock Corp. of Virginia t/a Hanover Fabricators
Alleged violation of VA Code § 56-304.2
MCE940030 Harris, Marshall C.
Alleged violation of VA Code § 56-304.2
MCE940031 Russin Lumber Corporation
Alleged violation of VA Code § 56-304.2
MCE940032 Cross Country Transportation
Alleged violation of VA Code § 56-304.11
MCE940033 Langdon, Graham Malcom
Alleged violation of VA Code § 56-304
MCE940034 Gem Mobile Transport, Inc.
Alleged violation of VA Code § 56-304.11
MCE940035 Ami Trucking Inc.
Alleged violation of VA Code § 56-304
MCE940036 Executive Limousines Inc.
Alleged violation of VA Code §§ 56-338.106, et al.
MCE940037 Owen, Darren E. and Jill H. t/a Old English American Farm Venture
Alleged violation of VA Code § 56-288
MCE940038 Kloke Enterprises Inc. t/a Kloke Transfer Systems
Alleged violation of VA Code § 56-317
MCE940039 Rutrough, Darrell
Alleged violation of VA Code § 56-338.52
MCE940040 Pullin's Tours, Inc.
Alleged violation of VA Code § 56-338.52
MCE940041 2968-8371 Quebec Inc.
Alleged violation of VA Code § 56-304.1
MCE940042 Jones, John Henry t/a Jones Brothers Trucking
Alleged violation of VA Code § 56-304.1
MCE940043 Midway Transportation Inc.
Alleged violation of VA Code § 56-304.1
MCE940044 Parker, Regina Chestnut
Alleged violation of VA Code § 56-288
MCE940076 Indian River Sports Travel
Alleged violation of VA Code § 56-292
MCE940077 Steven Corporation t/a Free State Glass Industries Div.
Alleged violation of VA Code § 56-304.2
MCE940078 Lazer, Gary Dill
Alleged violation of VA Code § 56-304.1
MCE940079 Rudd, David Nathaniel t/a Dave's Trucking
Alleged violation of VA Code § 56-288
MCE940080 World Trade Transport of Virginia, Inc.
Alleged violation of VA Code § 56-288
MCE940081 Carrymore Transport Inc.
Alleged violation of VA Code § 56-304.11
MCE940082 Wilburn, Ronald O.
Alleged violation of VA Code § 56-304.11
MCE940083 Native American Trucking Co., Inc.
Alleged violation of VA Code § 56-304.11
MCE940084 Midway Transportation
Alleged violation of VA Code § 56-304.11
MCE940085 Cross Country Transportation, Inc.
Alleged violation of VA Code § 56-304.1
MCE940086 Chazco, Inc.
Alleged violation of VA Code § 56-338.8
MCE940087 Washington, Elijah M.
Alleged violation of VA Code § 56-338.8
MCE940102 I S E America Inc.
Alleged violation of VA Code § 56-304.1
MCE940103 C S Transit Inc.
Alleged violation of VA Code § 56-304.1
MCE940104 GDC. Inc.
Alleged violation of VA Code § 56-304.1
MCE940105 Hostetter, Harry J. t/a Hostetter Trucking
Alleged violation of VA Code § 56-304.1
MCE940106 American Transport Inc.
Alleged violation of VA Code § 56-304.11
MCE940107 Midway Transportation
Alleged violation of VA Code § 56-304.11

MCE940108 Gilford Trucking
Alleged violation of VA Code § 56-304.11
MCE940109 Muenzer, Joseph G. Jr.
Alleged violation of VA Code § 56-288
MCE940110 U.S. Refuse Removal, Inc.
Alleged violation of VA Code § 56-304.2
MCE940111 Handy Distributors, Inc.
Alleged violation of VA Code § 56-304.2
MCE940112 William Chester, Inc.
Alleged violation of VA Code § 56-304.11
MCE940113 Sanchez, Carlos E.
Alleged violation of VA Code § 56-304.11
MCE940114 Midlantic Express Inc.
Alleged violation of VA Code § 56-304.1
MCE940115 P&A Trucking, Inc.
Alleged violation of VA Code § 56-304.11
MCE940116 Midway Transportation Inc.
Alleged violation of VA Code § 56-304.11
MCE940117 Gray Line Express
Alleged violation of VA Code § 56-288
MCE940118 Action Movers, Inc.
Alleged violation of VA Code § 56-288
MCE940119 Hudson, Thomas Clayton Jr.
Alleged violation of VA Code § 56-288
MCE940120 Brooks Auto Sales
Alleged violation of VA Code § 56-304.1
MCE940121 Smith, Marenda Kay t/a Swede's Moving and Storage
Alleged violation of VA Code § 56-338.8
MCE940150 Virginia Regional Transit Corp.
Alleged violation of VA Code § 56-338.52
MCE940159 Ferwerda, Neil B. t/a Catie Shane Transportation
Alleged violation of VA Code § 56-304.11
MCE940160 Alan William Transfer Co., Inc.
Alleged violation of VA Code § 56-304.1
MCE940161 Fleenor Transport, Inc.
Alleged violation of VA Code § 56-288
MCE940162 Sundance, Inc.
Alleged violation of VA Code § 56-304.1
MCE940163 Sundance, Inc.
Alleged violation of VA Code § 56-304.1
MCE940164 Brown Packing Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE940165 Valjar Inc.
Alleged violation of Lease Rule 3A
MCE940166 C.R. Lurry Inc.
Alleged violation of VA Code § 56-304
MCE940167 Nightingale Trucking Co., Inc.
Alleged violation of VA Code § 56-304
MCE940168 Seneca Excavating and Landscaping, Inc.
Alleged violation of VA Code § 56-304
MCE940169 Valjar Inc.
Alleged violation of VA Code § 56-304.2
MCE940170 Feather Made Mattress Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE940171 JSC Concrete Construction Inc.
Alleged violation of VA Code § 56-304.2
MCE940172 Glasgow & Son
Alleged violation of VA Code § 56-304.2
MCE940173 Tucker, James Michael
Alleged violation of VA Code § 56-304.2
MCE940174 Executive Moving Systems Inc.
Alleged violation of VA Code § 56-304
MCE940175 K-Myn, Inc.
Alleged violation of VA Code § 56-304.2
MCE940176 Midlantic Express Inc.
Alleged violation of VA Code § 56-304.11
MCE940177 Reginiers Refrigerated Express, Inc.
Alleged violation of VA Code § 56-304.11
MCE940178 Midlantic Express Inc.
Alleged violation of VA Code § 56-304.11

MCE940179 YWC Technologies Inc. t/a Ad and Soil Division
Alleged violation of VA Code § 56-304.11
MCE940180 Pryslak, George t/a Pryslak Trucking
Alleged violation of VA Code § 56-304.11
MCE940181 Ark Security Co., Inc.
Alleged violation of VA Code § 56-288
MCE940182 Foster's Van Lines and Storage Inc.
Alleged violation of VA Code § 56-338.8
MCE940183 K & T Allied Van
Alleged violation of VA Code § 56-304.1
MCE940219 Dabney, Leonard
Alleged violation of VA Code § 56-304.2
MCE940220 Pennsylvania Break Bonding Co.
Alleged violation of VA Code § 56-304.2
MCE940221 Smith & Sons Seafood, Inc.
Alleged violation of VA Code § 56-304.11
MCE940222 Midlantic Express Inc.
Alleged violation of VA Code § 56-304.11
MCE940223 Nuckols, Thomas Waverly t/a Tom's Courier Service
Alleged violation of VA Code § 56-288
MCE940224 Huss, Inc.
Alleged violation of VA Code § 56-304
MCE940225 Merchant's Inc.
Alleged violation of VA Lease Rule 3A
MCE940226 Huss, Inc.
Alleged violation of Lease Rule 3A
MCE940227 Sharp Trucking Co., Inc.
Alleged violation of VA Code § 56-288
MCE940228 Washington, Elijah Moran t/a Washington Movers
Alleged violation of VA Code § 56-338.8
MCE940245 March Furniture Manufacturing Inc.
Alleged violation of VA Code § 56-288
MCE940246 Northern Virginia Trucking
Alleged violation of VA Code § 56-304
MCE940247 Kipp, Martin Eugene t/a Kipp's Transport Co.
Alleged violation of VA Code § 56-304.1
MCE940249 Concerned Independent Truckers Inc.
Alleged violation of VA Code § 56-304.1
MCE940250 Nash Finch Company
Alleged violation of VA Code § 56-304.1
MCE940251 Henley, John M.
Alleged violation of VA Code § 56-304.2
MCE940252 Hahn Contracting Company
Alleged violation of VA Code § 56-304.2
MCE940253 Swanson, Clarence
Alleged violation of VA Code §§ 56-338.111 and 56-338.106
MCE940254 Mobile Home Brokers Co.
Alleged violation of VA Code § 56-304.1
MCE940255 Gregory Trucking Company Inc.
Alleged violation of VA Code § 56-304.1
MCE940256 Medlin, Henry D. t/a Pete's Custom Auto Service
Alleged violation of VA Code § 56-304.1
MCE940257 Warren, David L.
Alleged violation of VA Code § 56-304
MCE940258 King George Service Center Inc.
Alleged violation of VA Code § 56-304
MCE940259 Champion Transportation of Massachusetts, Inc.
Alleged violation of VA Code § 56-304.1
MCE940260 Victus Limited t/a Master Design Furniture
Alleged violation of VA Code § 56-304.2
MCE940261 Faisons Wrecker Service Inc.
Alleged violation of VA Code § 56-304.11
MCE940262 Tri State Casino Tours t/a Tri State Tours
Alleged violation of VA Code § 56-338.52
MCE940263 Tri-State Casino Tours of Virginia
Alleged violation of VA Code § 56-338.52
MCE940264 Rojas, Diofanor Angel
Alleged violation of VA Code § 56-304
MCE940265 Summs Recovery and Collections Inc.
Alleged violation of VA Code § 56-304

MCE940266 Hanlon, Michael T. t/a Automotive Repair Service
Alleged violation of VA Code § 56-288
MCE940267 Warco, Inc. t/a James J. Warring Sons
Alleged violation of VA Code § 56-304
MCE940268 Hardy & Son Trucking, Inc.
Alleged violation of VA Code § 56-288
MCE940269 Hanlon, Michael T. t/a Automotive Repair Service
Alleged violation of VA Code § 56-288
MCE940270 Dade, Diane M. t/a Gerald O. Jones and Son Moving
Alleged violation of VA Code § 56-288
MCE940271 Golden Eagle Express
Alleged violation of VA Code § 56-304.1
MCE940272 Carroll, Dyson L. t/a DL Carroll Trucking
Alleged violation of VA Code § 56-304.1
MCE940273 Hutcherson, Linwood T. Jr. t/a Tommy's Towing
Alleged violation of VA Code § 56-304
MCE940274 Candy Candy, Inc.
Alleged violation of VA Code § 56-304.1
MCE940275 Coulson, James
Alleged violation of VA Code § 56-304.1
MCE940276 Davmar Hauling, Inc.
Alleged violation of VA Code § 56-304.1
MCE940277 Hershey, James E.
Alleged violation of VA Code § 56-304.1
MCE940278 RC Savercool Clay Sales Inc.
Alleged violation of VA Code § 56-304.1
MCE940279 Walker, Freddie
Alleged violation of VA Code § 56-304
MCE940280 Patriot Manufacturing Inc.
Alleged violation of VA Code § 56-304.2
MCE940281 Dillard Paper Co. of Richmond Inc.
Alleged violation of VA Code § 56-304.2
MCE940282 Richfood Inc.
Alleged violation of Lease Rule 3A
MCE940283 Fleet Transit Inc. of Virginia
Alleged violation of VA Code § 56-338.36
MCE940301 Hughey, Charles T. t/a Hughey Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940302 Sundance Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940303 Luciano Refrigerated Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940304 Apple House, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940305 Bearden, Harlan J. t/a Bearden & Son Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940306 Rick's Movers, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940307 Rick's Movers Inc.
Alleged violation of VA Code § 56-300
MCE940308 Rick's Movers Inc.
Alleged violation of VA Code § 56-288
MCE940309 Kenosha Auto Transport Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940310 Baylor Trucking, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940311 Challenger Motor Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940312 Transcontinental Refrigerated. Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940313 J B Hunt Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940314 Ranger Transportation, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940315 Miller Transfer & Rigging Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940316 Schwerman Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940317 Right Way Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE940318 M&M Moving Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940319 Poole Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940320 Silver Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940321 Phelps Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940322 Keystone Freight Corporation
Alleged violation of SSIR Sec. 1023.5(e)
MCE940323 Gribble, Nancy R. t/a Gribble Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE940324 D&K Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940325 G&B Supply Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940326 Hills Stores Co. t/a Hills Department Stores/HDS Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE940327 Putnam Transfer & Storage Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940328 Poole Truck Line Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940329 Apache Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940330 Dart Transit Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE940331 Transcontinental Refrigerated Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940332 Q Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940333 Mullenax, William Ernest t/a Mullenax Refrigerated Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE940334 Right Way Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940335 Alvey Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940336 Shelton Trucking Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940337 Geschwind Consignment Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940338 Ryder Dedicated Logistics Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940339 McKenzie Tank Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940340 Wiley Sanders Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940341 Poole Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940342 Osborn Transportation Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940343 Midland Transport Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940344 Poole Truck Line Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940345 Light Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940346 Wheaton Van Lines Inc. t/a Wheaton World Wide Moving
Alleged violation of SSIR Sec. 1023.5(e)
MCE940347 Joule Yacht Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940348 T.W. Owens & Sons Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940349 Wausau Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940350 I and S Warehouse & Terminal Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940351 Olin Wooten Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940352 Anthony M. Brida, Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE940353 Windsor Distribution Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940354 Ready Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940355 Graebel Van Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940356 Cherry Knoll Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940357 D&B Carriers
Alleged violation of SSIR Sec. 1023.5(e)
MCE940358 Gold Star Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940359 Little, Danny t/a Danny Little Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940360 Albany Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940361 Maniscalco, Anthony Michael
Alleged violation of SSIR Sec. 1023.5(e)
MCE940362 Holmes, George t/a Command Systems Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940363 AJK Truck Service
Alleged violation of SSIR Sec. 1023.5(e)
MCE940364 Perdue Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940365 Sloan, Michael Morse
Alleged violation of SSIR Sec. 1023.5(e)
MCE940366 Sloan, Michael Morse
Alleged violation of SSIR Sec. 1023.5(e)
MCE940367 Forbes Transfer Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940368 Hill Refrigeration Corp.
Alleged violation of VA Code § 56-304.2
MCE940369 T.J. Stidham, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940370 Vanspringel, Cosmos t/a Cosmos Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940371 FWCC Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940372 Ploof Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940373 Commercial Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940374 Deaton Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940375 P&R Tank Lines of Baltimore Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940376 Roadway Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940377 Poole Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940378 Maersk Container Service Co. Inc. t/a Bridge Terminal Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE940379 Burnham Service Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940380 Malone Freight Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940381 Poole Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940382 Connor, Robert M. Jr., Patrick C. Sr. and Thelma Peters t/a Locust Industries Limited Partnership
Alleged violation of SSIR Sec. 1023.5(e)
MCE940383 B&D Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940384 American International Movers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940385 Ready Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940386 American Wood Fibers of Jessup, Maryland, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940387 Richfood Incorporated
Alleged violation of SSIR Sec. 1023.5(e)

MCE940388 Regniers Refrigerated Express, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940389 Wheaton Van Lines Inc. t/a Wheaton World Wide Moving
Alleged violation of SSIR Sec. 1023.5(e)
MCE940390 Prosser, Denward Z. t/a Prosser's Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940391 Mill Creek Equipment Ltd. t/a Mill Creek Motor Freight
Alleged violation of SSIR Sec. 1023.5(e)
MCE940392 Lawrence Transportation Systems, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940393 Ready Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940394 Fusaro Transportation, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940395 Swift Transportation Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940396 J&L Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940397 Buanno Trans Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940398 Apache Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940399 Southern Pride Trucking, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940400 Combs Freight Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940401 Keen Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940402 Carpet Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940403 Carpet Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940404 Silvereagle Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940405 XTL Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940406 S-N-W Enterprises Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940407 Hastings, Eric t/a Boston Auto Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE940408 D&S Auto Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940409 Covan World-Wide Moving Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940410 Gulf Coast Freight, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940411 Cincinnati Freight Expeditors Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940412 Trism Specialized Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940413 St. Lawrence Freightways Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940414 J&J Freight Systems Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940415 Core Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940416 Carle Canmex Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940417 Refrigerated Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940418 Perry Gray Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940419 East Coast Warehouse Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940420 Hendley Transfer Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE940421 Les Establissement Dubois Ltee.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940422 Patam Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE940423 Perdue Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940424 Weeks, William Hunter t/a Grow Green Farms
Alleged violation of SSIR Sec. 1023.5(e)
MCE940425 Simpson Industries Inc.
Alleged violation of VA Code § 56-304.2
MCE940426 Hill Refrigeration Corp.
Alleged violation of VA Code § 56-304.2
MCE940427 George Transfer, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940428 Chemical Leaman Tank Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940429 Nixon Freight Agency Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940430 Kenneth O. Lester Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE940431 Collins & Aikman Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940432 Mill Creek Motor Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940433 2324-0906 Quebec Inc. t/a Tremoda Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE940434 WDW Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940435 J&B Services Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940436 Sunco Carriers, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940437 Ready Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940438 L. G. Dewitt Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940439 East-West Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940440 Para Marine Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940441 Covered Wagon Train Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940442 Decker Transport Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940443 Pittsburg Fayette Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940444 Penn's Best, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940445 St. Lawrence Freightway Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940446 Spindler Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940447 S-N-W Enterprises, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940448 Tri-Lam Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940449 National Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940462 Shar-Day Trucking
Alleged violation of VA Code §§ 46.2-658 and 46.2-660
MCE940463 Marsak Leasing Inc.
Alleged violation of VA Code § 56-304
MCE940464 JB Enterprises of Lexington
Alleged violation of VA Code § 56-304
MCE940465 Coley, Alfred Sr. t/a Yorktown Cab Co.
Alleged violation of VA Code § 56-304
MCE940466 K F Express Inc.
Alleged violation of VA Code § 56-304
MCE940467 American Motor Freight Inc.
Alleged violation of VA Code § 56-304
MCE940468 D & D Leasing
Alleged violation of VA Code § 56-304
MCE940469 United Truck Service Corp.
Alleged violation of VA Code § 56-304

MCE940470 Eck Miller Transportation Corp.
Alleged violation of VA Code § 56-304
MCE940471 Via Trucking Inc.
Alleged violation of VA Code § 56-304.1
MCE940472 Universal Express Co., Inc.
Alleged violation of VA Code § 56-304.2
MCE940473 Merchant's Tire
Alleged violation of VA Code § 56-304.2
MCE940474 Rollins, Emanuel Chappel
Alleged violation of VA Code § 56-288
MCE940475 Merchants Tire
Alleged violation of Lease Rule 3A
MCE940476 Specialized Express Inc. t/a Welborn Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE940477 Westover Cartage Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940478 Corcorans Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940479 Allied Systems Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940480 Allied Systems Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940481 Leaseway Motorcar Transport Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940482 Carpet Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940483 Garner Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940484 Wiley Sanders Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940485 Sunland Distribution Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940486 Frito-Lay Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940487 Keen Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940488 Glosson Freightways Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940489 Tri-Gas & Oil Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940490 Swift Transportation Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940491 Monroe Transfer & Storage Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940492 Buckhorn Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940493 Burris Express Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE940494 Foster, Stephanie G. Beavers t/a Simply Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940495 Williams Cartage Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940496 Genmar Industries Inc. t/a Wellcraft Marine
Alleged violation of SSIR Sec. 1023.5(e)
MCE940497 Magnum Transport Inc. t/a Dakota SCD Magnum Express
Alleged violation of SSIR Sec. 1023.5(e)
MCE940498 Marine Transport Inc. of New Jersey
Alleged violation of SSIR Sec. 1023.5(e)
MCE940499 Covan World-Wide Moving Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940500 RF Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940501 Everett Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940502 Warrior Services, Inc. t/a Warrior 'xpress
Alleged violation of SSIR Sec. 1023.5(e)
MCE940503 Flagship Express Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940504 Rick's Movers Inc.
Alleged violation of VA Code § 56-300

MCE940505 Rick's Movers Inc.
Alleged violation of VA Code § 56-288
MCE940513 Presidential Van Lines
Alleged violation of Commission injunction
MCE940514 Triple Lady's Agency Inc. t/a T.L. Express
Allegd violation of SSIR Sec. 1023.5(e)
MCE940515 Poole Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940516 Barclay Furniture Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE940517 Shoreline Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940518 Blazer Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940519 Enterprise Products Co. t/a Enterprise Transportation Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940520 Dahlonega Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940521 Deaton Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940522 Gilbert Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940523 Varner Trucking Inc.
Alleged violation of VA Code § 56-304.1
MCE940524 W W Trucking Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE940525 J&J Freight Systems Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940526 Service Warehouse & Distribution Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940527 Universal Am-Cam Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940528 Expedited Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940529 Groendyke Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940530 Mojac Enterprises Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940531 Prestige Messenger Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940532 Dutchland Motor Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE940533 L&H Distributors Inc.
Alleged violation of VA Code § 56-304.1
MCE940534 Southwest Liquid Energy
Alleged violation of VA Code § 56-304.1
MCE940535 Myers Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940536 Shoreline Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940537 Brownlee Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940538 Ranger Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940539 Allied Systems, Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940540 Poole Truck Line, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940541 Textile Trucking of New Hampshire Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940542 Alan William Transfer Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940543 Exxact Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940544 Good's Furniture & Carpet Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940545 Tri-Star Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940546 Judy Jones Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE940547 Manhattan Collision Specialists, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940548 Werner Enterprises Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940549 Stevens Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940550 EF Corp. t/a West Motor Feight of Pennsylvania
Alleged violation of SSIR Sec. 1023.5(e)
MCE940551 G&B Supply Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940552 Davis Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940553 Bowling Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940554 Miles Trucking Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE940555 Cargo Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940556 Environmental Trucking Co.
Alleged violation of VA Code § 56-304.1
MCE940557 Hennesy, Willie Jr. t/a Atlantic & Pacific Seafood Express
Alleged violation of VA Code § 56-304.1
MCE940558 JC Yeager t/a Zellco Distributing
Alleged violation of SSIR Sec. 1023.5(e)
MCE940559 MD Paxson
Alleged violation of VA Code § 56-304.1
MCE940560 AAA Landscaping Inc.
Alleged violation of VA Code § 56-304.1
MCE940561 All Coast Intermodal Services
Alleged violation of VA Code § 56-304
MCE940562 Jerry A Good Refrigerated Services, Inc.
Alleged violation of VA Code § 56-304.1
MCE940568 Today's Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940569 C.C. Eastern Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940570 Cargocare Transportation Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940571 Murrow Enterprises Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940572 Spindler Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940573 Trancontinental Refrigerated Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940574 Mountain State Logistics t/a CC Carriers
Alleged violation of SSIR Sec. 1023.5(e)
MCE940575 General Electric Transportation Services Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940576 Cardinal Freight Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940577 US Art Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940578 Can Am Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940579 Continental Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940580 Wisconsin Pacific Express
Alleged violation of SSIR Sec. 1023.5(e)
MCE940581 Independent Freightway Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940582 S.F. Subsidiary, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940583 Highway Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940584 C&M Foods Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940585 H O Bouchard Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940586 Scratch Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE940587 Family Fisheries Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940588 Plantation Confection Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940589 Eli Witt Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940590 Herr's Motor Express, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940591 Kress, Jon Harmon t/a Classic Transport International
Alleged violation of SSIR Sec. 1023.5(e)
MCE940592 Foshay, William Ward t/a Analock Farm
Alleged violation of VA Code § 56-304
MCE940593 Chemical Specialties Inc.
Alleged violation of VA Code § 56-304.1
MCE940594 R&A Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE940595 Shippers Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940596 Brown Packing Co. Inc.
Alleged violation VA Code § 56-304.1
MCE940597 Dallaire & Dallaire Construction Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940598 J&J Freight Systems, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940599 Used Car Transporter Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940600 Coale Truck Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940601 PLT Intermodal Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940602 Chet's Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940603 Patterson Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940604 Bama Transportation Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940605 Landair Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940606 Akins Trucking Services Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940607 Charlton Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940608 Southern Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940609 Fennell, Lee A. t/a Lee A. Fennell Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940610 Riggins Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940611 Wiley Sanders Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940612 Flynn Transport, Inc.
Alleged violation of SSIR Sec 1023.5(e)
MCE940613 Blue Line Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940614 D J King, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940615 Marway Systems, Inc.
Alleged violation of SSIR Sec 1023.5(e)
MCE940616 Pottle's Transportation, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940617 Alan William Transfer Co. Inc.
Alleged violation of SSIR Sec 1023.5(e)
MCE940618 Carpet Transport, Inc.
Alleged violation of VA Code § 56-304.1
MCE940619 Ohio Transport Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940620 Matlack, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940621 Goodway Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE940622 Highway Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940623 Keen Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940624 R & J Truck & Auto Body Inc. t/a R&J Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940625 Raintree Trucking Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940626 Thompson, Richard W. t/a R W Thompson Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940627 Wisconsin Express Lines
Alleged violation of SSIR Sec. 1023.5(e)
MCE940628 Schwerman Trucking Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940629 Mural Transport Inc.
For failure to pay omitted taxes
MCE940630 Ready, Willing & Able Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940631 Right Way Transport Inc.
Alleged violation of SSIR Sec 1023.5(e)
MCE940632 Robert Dewitt Trucking Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940633 Cheetah Transportation Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940634 Euro Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940635 Macway Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940636 Century Cargo Express Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940637 H O Bouchard Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940638 Bigbee Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940639 Blatt's Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940640 Hale Intermodal Trucking Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940641 638428 Ontario Ltd. t/a Bluewater Brokerage & Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE940642 Ostrom, Robert H. d/b/a Ostrom Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940643 Equipement Lourd Montreal Ltee.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940644 FDC Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940646 Henri Studio Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940647 A&P Transportation Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940648 Cotten, James R. t/a James R Cotten Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940649 Quality Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940650 Cox, Kenneth Ralph t/a C and F Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940651 Kahoe Petroleum Co. Inc.
Alleged violation of VA Code § 56-304.1
MCE940652 CMS Transportation, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940653 Wilson Mushroom Co. Inc.
Alleged violation of VA Code § 56-304.1
MCE940661 Proof Movers Inc.
Alleged violation of VA Code § 56-288
MCE940662 Quick Move Inc.
Alleged violation of VA Code § 56-288
MCE940663 Stanley, Mark A. t/a Carolina Furniture Interiors
Alleged violation of SSIR Sec. 1023.5(e)
MCE940664 Ready, Willing & Able Freight, Inc.
Alleged violation of VA Code § 56-304.1

MCE940665 Jones, John Henry t/a Jones Brothers Trucking
Alleged violation of VA Code § 56-304.1
MCE940666 Hot Rod Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940667 Hoskins, Janie t/a Johnson Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940668 Rouse, Terry Caroll t/a T. Rouse Transport
Alleged violation of VA Code § 56-304.1
MCE940669 Patterson, Marie E.
Alleged violation of VA Code § 56-304.1
MCE940671 Douglas, Dennis L.
Alleged violation of VA Code § 56-304.2
MCE940672 Reliable Shippers Inc.
Alleged violation of VA Code § 56-304.1
MCE940673 Quality Tour Transport
Alleged violation of VA Code § 56-338.52
MCE940674 Harold's Moving Ltd.
Alleged violation of VA Code § 56-338.8
MCE940675 Pierce, Rickey Allen t/a Triange Recovery
Alleged violation of VA Code § 56-288
MCE940677 Gambrel, Glenn A. and Wayne E. t/a Gambrel Transport
Alleged violation of VA Code § 56-304.1
MCE940678 Isomat, Inc.
Alleged violation of VA Code § 56-304.2
MCE940679 Sundance Inc.
Alleged violation of VA Code § 56-304.1
MCE940680 Cordero, Tony B. t/a TC Transport
Alleged violation of VA Code § 56-304.1
MCE940681 Ponto, Samuel A., Sr.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940682 Tim Hegwood Motor Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940683 Carroll Fulmer & Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940684 T.W. Owens & Sons Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940685 Morristown Driver's Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940686 International Transit Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940687 Moffitt, Steven Craig t/a SC Moffitt Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940688 Taylor, Arnold D. t/a Taylor Trucking Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940689 Harland Express Inc.
Alleged violation of VA Code § 56-304.1
MCE940690 Oceanic Ltd., Inc.
Alleged violation of SSIR Sec 1023.5(e)
MCE940691 Curtice Burns Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940692 Matlack Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940693 Transus Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940694 Cardinal Freight Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940695 United Van Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940696 Beef Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940697 FDC Transport Inc. of New Jersey t/a FDC Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940698 HMH Motor Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940699 Alan Ritchey Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940700 Transcontinental Refrigerated Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940701 Poole Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE940702 Poole Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940703 Ar Tx Tn Express Inc. t/a Att Express
Alleged violation of SSIR Sec. 1023.5(e)
MCE940704 DDI Tranportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940705 Cassens Transport Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE940706 Golden State Foods Corp.
Alleged violation of VA Code § 56-304.2
MCE940707 Larabee D. t/a Larabee Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940708 Allen Freight Trailer Bridge, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940709 Dex Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940710 Supervalue Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940711 Meehan, Michael T. t/a Atlantic Coast Van Lines
Alleged violation of SSIR Sec. 1023.5(e)
MCE940712 Home Depot USA, Inc.
Alleged violation of VA Code § 56-304
MCE940713 Frederick Transport, Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940714 Vance Trucking Company, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940715 Suburban Truck Brokers, Inc.
Alleged violation of VA Code § 56-304.1
MCE940716 Allied Signal Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940717 Donnell Trucking Company, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940718 Core Carriers, Inc.
Alleged violation of SSIR Sec. 1035.5(e)
MCE940719 Poole Truck Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940720 Down East Transport Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940721 Miller Transporters, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940722 Berry Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940724 Dallaire & Dallaire Construction Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940725 Gatsby Transportation, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940726 Classic Carriers, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940727 Brago Transportation, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940728 Newton Agri-Systems Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940729 CSX Intermodal, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940730 Transport Corp of America Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940731 Southern Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940732 Conoco Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940733 Riggins Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940734 S.J. Bear, Inc.
Alleged violation of VA Code § 56-304.1
MCE940735 Guardian Transport, Inc.
Alleged violation of VA Code § 56-304.1
MCE940736 Covan World-Wide Moving, Inc.
Alleged violation of VA Code § 56-304.1
MCE940738 Tak Trucking, Inc.
Alleged violation of VA Code § 56-304.1

MCE940739 Country Home Bakery, Inc.
Alleged violation of VA Code § 56-304.2
MCE940740 Pounders, Dwight David
Alleged violation of VA Code § 56-288
MCE940741 United Van Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940742 Pepsico Inc. A North Carolina Corp. t/a PFS Div.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940743 Playtex Family Products Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940744 Prophet, Charles Clifton t/a Prophet Trucking Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940745 Liquid Transfer Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940746 I Schneid Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940747 Dryden Oil Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940748 Blue Mack Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940749 Pyle Transport Services, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940750 Silvereagle Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940751 American Intermodal Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940752 United Van Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940753 Ringer Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940754 DDI Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940755 Kris's Truck Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940756 DDI Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940757 Ready Trucking, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940758 Decker Transport Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940759 Gilbert Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940760 Willis Shaw Frozen Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940761 Missouri Nebraska Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940762 Wilfong, Dewey L. t/a D&W Truck Lines
Alleged violation of SSIR Sec. 1023.5(e)
MCE940763 Anderson Trucking Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940764 Wolgemuth, Doyle Lynn t/a Doyles Towing & Transporting
Alleged violation of SSIR Sec. 1023.5(e)
MCE940765 SNE Transportation Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940766 F&W Transport Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940767 Wilson Mushroom Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940768 International Transit Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940769 Eastern Shore Warehousing Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940770 Asap Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940771 Bilodeau, Michael S.
Alleged violation of VA Code sections
MCE940781 Portzen, Patrick A.
Alleged violation of VA Code § 56-304.1
MCE940782 Bevard Brothers Inc.
Alleged violation of VA Code § 56-304.1

MCE940783 Capitol Milk Producers Co-Op Inc. t/a East Coast Ice Cream Div.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940784 Family Excavating Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940785 Conoco, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940786 Carpet Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940787 United Van Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940788 EE Operating Corp t/a West Contract Services of Pennsylvania
Alleged violation of SSIR Sec. 1023.5(e)
MCE940789 W H Johns, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940790 Trinity Industries Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940791 Blankinship, Olen t/a Blankinship Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE940792 T.W. Owens & Sons Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940793 KLLM, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940794 Shenandoah Motor Express, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940795 Silvereagle Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940796 Dutchland Motor Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE940797 Royal Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940798 Pro Source Services Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940799 Sanders, Herman
Alleged violation of SSIR Sec. 1023.5(e)
MCE940800 Double D, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940801 Apache Tranport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940802 Ota J. Stevenson Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940804 PTL Intermodal Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940805 Anchor Motor Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940806 AG Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940807 Baltimore International Warehousing Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940808 D & D Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940809 Family Excavating Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940810 Family Excavating Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940811 Baltimore International Warehousing Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940812 Roger Kahl Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940813 A. G. Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940814 Home Depot Usa Inc.
Alleged violation of Lease Rule 3A
MCE940815 Task Trucking Inc.
Alleged violation of VA Code § 56-304.1
MCE940816 Warwick Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940817 R F Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940818 Silvereagle Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE940819 Frito-Lay Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940820 C J Prettyman Jr. Trucking Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940821 Wilson Mushroom Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940822 Trans-States Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940823 Yacht Transport of Delaware Valley, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940824 Harold Shull Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940825 H&S Enterprises Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940826 Gettelfinger, Donald J. t/a Gettelfinger Farms
Alleged violation of SSIR Sec. 1023.5(e)
MCE940827 Ota J. Stevenson Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940841 Talon Protective Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940842 Coastal Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940843 Empire Transport Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940844 Nersesian Bros. Auto Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940845 C M S Transportation Services Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940846 Leaseway Motorcar Transport Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940847 Ranger Transportation, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940848 Southwest Transportation Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940849 Advanced Distribution Systems, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940850 Poole Truck Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940851 PGT Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940852 Coast Refrigerated Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940853 Interstate Transit Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940854 Harriman Bros. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940855 Levy Transport Ltee.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940856 Quick Freight, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940857 T.W. Owens & Sons Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940858 Maverick Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940859 West End & Hub Spring Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940860 American Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940861 Hallmart Distributors Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940862 Weatherholtz, Harry t/a W&W Trucking
Alleged violation of VA Code § 56-304.2
MCE940863 Clean Harbors of Kingston
Alleged violation of SSIR Sec. 1023.5(e)
MCE940864 548937 Ontario Ltd. t/a BMD Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE940865 Tri-B Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940866 Camp Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE940867 Independent Freightway, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940868 A&H Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940869 Rightway Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940871 Reiff, Menno Hoover
Alleged violation of SSIR Sec. 1023.5(e)
MCE940872 Logistics Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940873 Bartlebaugh, Leonard D. t/a LDB Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940874 Tennessee Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940875 Logistics Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940876 Horizon Freight Systems Inc.
Alleged violation of VA Code § 56-288
MCE940877 Sanders, Dennis Neil t/a Sanders Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940878 Ghost Transport Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940879 Sensenig, Harold Marvin t/a Marbee Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940880 National Car Rental Systems Inc. t/a Lend Lease Div.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940881 J Williams & Son Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940882 Pryor, Frederick M. Jr. t/a Pine Tree Farms
Alleged violation of VA Code § 56-304.2
MCE940883 Delucia, Louis
Alleged violation of VA Code § 56-304.2
MCE940900 Lucia Specialized Hauling Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940901 Daily Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940902 Perfetti Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940903 Commodity Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940904 Anderson Potato Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940905 Steptoe, Geoffrey J. t/a Abbey National Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE940906 United Parcel Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940907 General Nutrition Corporation
Alleged violation of SSIR Sec. 1023.5(e)
MCE940908 Kennon Farms Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940909 Mixson, Thomas A. and Deborah A. t/a Mixson Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940910 Chemical Leaman Tank Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940911 Rice, Robert J. t/a Immokalee Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940912 Forward Express Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940913 Rollins Transportation Systems, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940914 Who Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940915 Allied Systems Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940916 Allied Systems Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940917 Equity Transportation Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940918 Super Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE940919 Martin Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940920 McLaughlin Transportation Systems, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940921 Transport Damaco International Ltee.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940922 R.E.M. Transport, Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940923 Line-Haul Xpress Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940924 A&L Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940925 Harvey, Olen
Alleged violation of SSIR Sec. 1023.5(e)
MCE940926 Legend Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940927 Florida Yacht Movers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940928 Ritter, Clair E. t/a Sunnyhill Farm Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940929 Omni Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940930 Paul's Trucking Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940931 Taylor Moving & Storage Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940932 American Red Ball Transit Co. Inc. t/a Red Ball Express Div.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940933 Forward Express Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940934 Carter, Jerry Wayne t/a Allstar Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE940935 Murphy, Walter C. Jr.
Alleged violation of VA Code § 56-304.1
MCE940936 Brayhall Enterprises Inc.
Alleged violation of VA Code § 56-304.1
MCE940937 Steele, Thomas W.
Alleged violation of VA Code § 56-304.1
MCE940938 Suburban Truck Brokers Inc.
Alleged violation of VA Code § 56-304.1
MCE940939 Devito Diesel Service Inc.
Alleged violation of VA Code § 56-304.1
MCE940940 Atlantic Transfer Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940941 Plain'N Fancy Kitchens, Inc. t/a Plain & Fancy
Alleged violation of SSIR Sec. 1023.5(e)
MCE940942 Square Deal Demolition Inc.
Alleged violation of VA Code § 56-288
MCE940943 Pullin's Tours, Inc.
Alleged violation of VA Code § 56-338.52
MCE940944 Hines, Ronald M.
Alleged violation of VA Code § 56-304.2
MCE940945 Cavalier Farms Inc.
Alleged violation of Lease Rule 3A
MCE940946 Traveling Eagle Ltd. t/a Blue Ridge Sedan Service
Alleged violation of VA Code §§ 56-338.106 and 56-338.111:1
MCE940947 Ross, Lloyd S. t/a Cost Less Movers
Alleged violation of VA Code § 56-338.8
MCE940948 Regency Moving & Storage Co., Inc.
Alleged violation of VA Code § 56-304
MCE940949 Hollywood Limousines Inc.
Alleged violation of VA Code § 56-304
MCE940950 Brown, Anna G.
Alleged violation of VA Code § 56-291.1
MCE940951 Highsmith, Keith
Alleged violation of VA Code § 56-291.1
MCE940952 Rainbow Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940953 American Dream Limousine Service, Inc.
Alleged violation of VA Code §§ 56-338.107 and 56-338.115

MCE940954 Dream Date Company, The
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE940955 Jones, Willie Joseph
Alleged violation of VA Code § 56-304.1
MCE940956 Kaynak, Nusret
Alleged violation of SSIR Sec. 1023.5(e)
MCE940957 Dugan Transport Inc.
Alleged violation of VA Code § 56-304.1
MCE940958 EMS Inc.
Alleged violation of VA Code § 56-304.1
MCE940959 Tropical Plant Express
Alleged violation of SSIR Sec. 1023.5(e)
MCE940960 Nearby Eggs Inc.
Alleged violation of VA Code § 56-304.2
MCE940961 Davis, Sandra Marie
Alleged violation of VA Code § 56-291.1
MCE940962 Fitts, Emory A. Sr.
Alleged violation of VA Code § 56-291.1
MCE940963 Onslow, William Minnis Jr.
Alleged violation of VA Code § 56-291.1
MCE940964 Road Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940965 J.R.C. Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940966 Evans, Paul E. t/a Paul's Refuse Service
Alleged violation of SSIR Sec. 1023.5(e)
MCE940967 Evans, Paul E. t/a Paul's Refuse Service
Alleged violation of SSIR Sec. 1023.5(e)
MCE940968 Moss Trucking Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940969 Aim Transport Inc. t/a Aim Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE940970 Bonus Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940971 Trail Transportation Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940972 Chemical Waste Management Inc. t/a CWM Transportation
Alleged violation of VA Code § 56-304.1
MCE940973 M & A Transportation Inc.
Alleged violation of VA Code § 56-304.1
MCE940974 Dove Mushrooms Inc.
Alleged violation of VA Code § 56-304.2
MCE940975 DDI Transportation Inc.
Alleged violation of VA Code § 56-304
MCE940976 D&M Bus Co., Inc.
Alleged violation of VA Code § 56-338.52
MCE940977 Presidential Van Lines
Alleged violation of VA Code sections
MCE940992 T & N Van Service Company Inc.
Alleged violation of VA Code § 56-304.2
MCE940993 Atlas Van Lines, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940994 A Golden Touch Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940995 J R C Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE940996 Gulf Shore Moving & Storage
Alleged violation of SSIR Sec. 1023.5(e)
MCE940997 GWC Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940998 Rosenbergers Cold Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE940999 Gilmore, Edward L. Jr.
Alleged violation of VA Code § 56-288
MCE941000 Towner, Valerie d/b/a Budget Moving System
Alleged violation of VA Code § 56-338.8
MCE941001 East Potomac Tours
Alleged violation of VA Code § 56-338.52
MCE941002 J's Charter Service Inc. t/a Jones Transportation
Alleged violation of VA Code § 56-338.52

MCE941003 Congressional Limousine
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941004 Celebrity Limo & Chauffer Service Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941005 Regency Limousine Service Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941006 Regency Limousine Service Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941007 Arch Aluminum & Glass, Inc.
Alleged violation of VA Code § 56-304.2
MCE941008 Delaware Valley Cartage Corp.
Alleged violation of VA Code § 56-304.1
MCE941009 Parry Transport Inc.
Alleged violation of VA Code § 56-304.1
MCE941010 Eastern Waste Industries Inc.
Alleged violation of VA Code § 56-304.1
MCE941021 South Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941022 Sundance Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941023 Dysart's Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941024 Joseph Eletto Transfer Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941025 Cal-Cleve Limited t/a Dot Line Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE941026 717857 Ontario Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941027 Custom Deliveries Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941028 Dick's Trucking & Leasing Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941029 Don-Lou Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941030 Richards, Kenneth G.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941031 DDI Transportation, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941032 Northern Neck Transfer Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941033 Sun Tex Transportation Services, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941034 Il Bunch t/a Bunch Truck Lines
Alleged violation of SSIR Sec. 1023.5(e)
MCE941035 Steve Mox Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941036 Kevin Byers Leasing & Rental Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941037 Cargo Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941038 Hale Intermodal Trucking Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941039 Hahn Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941040 Turner, Roger L. t/a Turner Trucking
Alleged violation of VA Code § 56-304.1
MCE941041 Trawick, Jean C.
Alleged violation of VA Code § 56-304.1
MCE941042 Allstate Paper Company Inc.
Alleged violation of VA Code § 56-304.1
MCE941043 Cherry, Tommie Lawrence
Alleged violation of VA Code § 56-304.1
MCE941044 Shearer, Keith A.
Alleged violation of VA Code § 56-304.1
MCE941045 Webber, Timothy t/a Adawn Express
Alleged violation of VA Code § 56-304.1
MCE941046 Narramore Trucking Inc.
Alleged violation of VA Code § 56-304.1
MCE941047 Look, Kerry B. t/a Look Trucking
Alleged violation of VA Code § 56-304.2

MCE941048 Nothing But Trucks
Alleged violation of VA Code § 56-304.2
MCE941049 Health Care Supplies Inc.
Alleged violation of VA Code § 56-304.2
MCE941050 R & E Hauling Co. Inc.
Alleged violation of VA Code § 56-289
MCE941051 Chase, Charles Frank
Alleged violation of VA Code § 56-304
MCE941052 Ghareeb, Nassib H. t/a Priority Limo
Alleged violation of VA Code §§ 56-338.106 and 56-338.111:1
MCE941053 Lester, Floyd L. Jr.
Alleged violation of VA Code § 56-288
MCE941098 Exide Corp.
Alleged violation of Lease Rule 3A
MCE941099 Richfood Incorporated
Alleged violation of Lease Rule 3A
MCE941100 Ty Pruitt Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941101 Crews Enterprises
Alleged violation of VA Code § 56-304.1
MCE941102 Barrios, Oscar Ernesto t/a Barrios Trucking
Alleged violation of VA Code § 56-304
MCE941103 Mavroidakos Petros t/a P M Enterprises Regd.
Alleged violation of VA Code § 56-304
MCE941104 Whitaker, Carl t/a Whitaker Trucking
Alleged violation of VA Code § 56-288
MCE941105 Bridgett, Swanee t/a Bridgett Trucking
Alleged violation of VA Code § 56-288
MCE941106 Wright, James E.
Alleged violation of VA Code § 56-304
MCE941107 Newington Concrete Group
Alleged violation of VA Code § 56-304
MCE941108 Virginia Regional Transit Corp.
Alleged violation of VA Code § 56-338.52
MCE941109 Thor Transportation Inc.
Alleged violation of VA Code § 56-338.52
MCE941110 North American Van Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941111 Askin Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941112 Transcontinental Refrigerated Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941113 Hogans Transfer & Storage Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941114 Nestle Transporation Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE941115 Munson Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941116 E.I. Kane Intermodal Transport, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941117 Central Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941118 Lakeside Warehouse & Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE941119 Stoltzfos, John Mark t/a Southern Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE941120 Pridgen Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941121 White, Gary t/a East End Moving
Alleged violation of SSIR Sec. 1023.5(e)
MCE941122 Winkler, Tony M. and Gregg, Tim K. t/a T & T Enterprises
Alleged violation of SSIR Sec. 1023.5(e)
MCE941123 Thoroughbred Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941124 Black & Silver Bulk Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941125 Dashiell, Douglas T. t/a Dashiell & Son Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941126 Atkinson Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE941127 System 81 Express, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941128 Paul Arpin Van Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941129 Crewe Transfer Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941140 Mayflower Transit Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941141 C.A. Perry & Son Transit Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941142 W. F. Burns Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941143 Bunch Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941144 Bullet Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941145 Horizon Freight Systems Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941146 Landis Leasing Inc. t/a Indian Valley Enterprises
Alleged violation of SSIR Sec 1023.5(e)
MCE941147 Joseph Land & Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941148 West Point-Pepperell Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941149 Builders Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941150 Churchwell, Glenn t/a G.O.C. II
Alleged violation of SSIR Sec. 1023.5(e)
MCE941151 Truboy Freight International Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941152 International Transit Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941153 La Rochelle Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941154 Swanson Boat Transport Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941155 C B S Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941156 General Transportation Systems
Alleged violation of SSIR Sec. 1023.5(e)
MCE941157 Decker's Produce Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941158 Manning, Robert t/a R & J Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941159 Cox, Joseph Thomas Jr.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941160 Carolina Transit Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941161 Pittman, Mary t/a M P Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941162 A & H Expediting
Alleged violation of SSIR Sec. 1023.5(e)
MCE941163 Turner, Roger L. t/a Turner Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941164 Rick's Movers Inc.
Alleged violation of VA Code § 56-304
MCE941165 Hicks Enterprises Inc.
Alleged violation of VA Code § 56-304
MCE941166 Correia, Antonio Sergio
Alleged violation of VA Code § 56-304
MCE941167 Barrios, Oscar Ernesto t/a Barrios Trucking
Alleged violation of VA Code § 56-304
MCE941168 Harvey, Scott T. t/a Jesco Transport
Alleged violation of VA Code § 56-304.1
MCE941169 Priority One Services Inc.
Alleged violation of VA Code § 56-304.1
MCE941170 Carter, Gerald L. t/a J. Carter
Alleged violation of VA Code § 56-304.1
MCE941171 J D Equipment Inc.
Alleged violation of VA Code § 56-304.2

MCE941172 Rantz, Kenneth W. and Margaret Ann t/a Rantz Trucking
Alleged violation of VA Code § 56-304.1
MCE941173 Fafard, Gilles t/a Location Fafard Enr.
Alleged violation of VA Code § 56-304.1
MCE941174 Suburban Truck Brokers Inc.
Alleged violation of VA Code § 56-304.1
MCE941175 Ray's Nursery Inc.
Alleged violation of VA Code § 56-304.11
MCE941176 Hayden, Paul L. t/a American Pride Towing & Transport
Alleged violation of VA Code § 56-304
MCE941177 BFC Corporation t/a Jet Blast of Virginia
Alleged violation of VA Code § 56-304.2
MCE941178 American Real Estate & Insurance Agency Inc. t/a American Professional Movers
Alleged violation of VA Code § 56-338.8
MCE941179 Rodgers, Michael Dwayne
Alleged violation of VA Code § 56-338.8
MCE941180 Poole, Michael W. t/a Eagle Towing
Alleged violation of VA Code § 56-288
MCE941182 Capitol Moving & Storage Inc.
Alleged violation of VA Code § 56-288
MCE941183 Sprint Couriers Inc.
Alleged violation of VA Code § 56-304
MCE941184 Hollywood Limousines Inc.
Alleged violation of VA Code § 56-304
MCE941185 Hollywood Limousines Inc.
Alleged violation of VA Code § 56-304
MCE941186 Myrick, William L.
Alleged violation of VA Code § 56-304
MCE941187 Smith, William Jerold t/a J & J Trucking
Alleged violation of VA Code § 56-288
MCE941188 Heart Rentals & Repairs Inc.
Alleged violation of VA Code § 56-304.1
MCE941189 Waste Management of Maryland Inc.
Alleged violation of VA Code § 56-304.1
MCE941190 Vincent, Ray t/a Ray Vincent Pine & Straw
Alleged violation of VA Code § 56-304.1
MCE941191 P & A Trucking Inc.
Alleged violation of VA Code § 56-304.11
MCE941192 Smith, Ronald Garfield t/a Able Limousine Service
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941193 Mark VII Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941194 Mayflower Transit Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941195 Kazanes, Timothy E.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941196 Heart Rentals & Repairs Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941197 Houston, Robert V. t/a Houston Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE941198 Narramore Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941199 Robin Hood Container Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941200 Olari, Danut t/a Choice Express
Alleged violation of SSIR Sec. 1023.5(e)
MCE941201 Swift Transportation Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941202 TMG Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941203 Joseph J Corbisiero Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941204 Thompsons Towing Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941205 Berner Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941206 Allied Systems Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941207 PTL Intermodal Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE941208 Economy Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941209 Swift Transportation Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941210 Trucking Specialists Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941211 Merchants Home Delivery Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941212 Pritchett Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941213 Western Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941214 Freymiller Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941215 Mountain State Logistics
Alleged violation of SSIR Sec. 1023.5(e)
MCE941216 Artic Coastal Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941217 P T S Investments Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941218 Timely Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941219 Key Motor Lines
Alleged violation of SSIR Sec. 1023.5(e)
MCE941220 837853 Ontario Inc. T/A Northland Carrier
Alleged violation of SSIR Sec. 1023.5(e)
MCE941221 KBT Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941222 O. F. Barnes Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941223 Annett Holdings Inc. t/a TMC Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941224 R & R Express
Alleged violation of SSIR Sec. 1023.5(e)
MCE941225 W M Johnson Truck Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941226 T M Enterprises Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941227 Otto Brick & Tile Works Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941228 Trail Transportation Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941229 Penn's Best Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941230 Lend Lease Trucks Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941231 Walker, Curtis Gilbert t/a C Walker Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941232 Fly One Properties Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941233 Holiday Sales Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941234 Nash Finch Company
Alleged violation of VA Code § 56-304
MCE941235 Dulles Airport Loudoun Taxi & Limousine, Inc.
Alleged violation of VA Code § 56-304
MCE941236 Williamsburg Limousines Inc.
Alleged violation of VA Code § 56-304
MCE941237 Reston Limousine & Travel Service, Inc.
Alleged violation of VA Code § 56-304
MCE941238 Charles C Edwards Inc.
Alleged violation of VA Code § 56-304
MCE941239 Hoar-Hakkenson Leasing Co. t/a Alexandria Diamond #502
Alleged violation of VA Code § 56-304
MCE941240 Hoar-Hakkenson Leasing Co. t/a Alexandria Diamond #502
Alleged violation of VA Code § 56-304
MCE941241 Laser Courier Inc.
Alleged violation of VA Code § 56-304
MCE941242 Geda, Fisseha t/a Ethio Limousine Service
Alleged violation of VA Code § 56-304

MCE941243 J N Enterprises Inc.
Alleged violation of VA Code § 56-304.1

MCE941244 Millis, Tim M.
Alleged violation of VA Code § 56-304.1

MCE941245 Diplomat Limousine & Livery Service, Inc.
Alleged violation of VA Code § 56-304.1

MCE941246 Supreme Limousine Service Inc.
Alleged violation of VA Code § 56-304.1

MCE941247 Astro Cycle Inc.
Alleged violation of VA Code § 56-304.1

MCE941248 Denison Trucking Inc.
Alleged violation of VA Code § 56-304.1

MCE941249 Sunnyside Trucking Inc.
Alleged violation of VA Code § 56-304.1

MCE941250 Sunnyside Trucking Inc.
Alleged violation of VA Code § 56-304.1

MCE941251 Maersk Container Service Co., Inc. t/a Bridge Terminal Transport
Alleged violation of VA Code § 56-304.2

MCE941252 Vincent, James
Alleged violation of VA Code § 56-304.2

MCE941253 Denison Trucking Inc.
Alleged violation of VA Code § 56-304.2

MCE941254 Simmons Company
Alleged violation of VA Code § 56-304.2

MCE941255 California Limousine Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCE941256 Wellington, Torrey J. t/a Wellington Coach
Alleged violation of VA Code § 56-338.52

MCE941257 RMA Chauffered Transportation
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCE941258 Butler, Donald S. Jr.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCE941259 Smith, Ronald Garfield t/a Able Limousine Service
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCE941260 Lewis, Zachairias Hilton d/b/a Lewis Funeral Home
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCE941261 Kirk, Anthony W.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCE941262 Crystal Transportation Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCE941263 Personal Motor Car Service
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCE941264 First Class Presidential Limousine Service
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCE941265 Morse, Michael
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCE941266 Keller Transportation Inc. t/a Keller Bus Service
Alleged violation of SSIR Sec. 1023.5(e)

MCE941267 Taylor, Clifton C. Jr. t/a Richmond Retail Furniture Delivery
Alleged violation of VA Code § 56.288

MCE941268 Belvidere Farmers Exchange Inc.
Alleged violation of VA Code § 56-304.1

MCE941269 Reston Limousine & Travel Service Inc.
Alleged violation of VA Code § 56.304

MCE941270 Hutchings Equipment Co. Inc.
Alleged violation of VA Code § 56-304

MCE941282 Automotive Machine & Repair Inc.
Alleged violation of VA Code § 56-304

MCE941283 Ford Pile Foundations Inc.
Alleged violation of VA Code § 56-304

MCE941284 A&A Towing Corp.
Alleged violation of VA Code § 56-304

MCE941285 Long, James T. Jr. t/a Country Club Service Center
Alleged violation of VA Code § 56-304

MCE941286 Hot-Z Food Marts Inc. t/a Hot-z Transport Co.
Alleged violation of VA Code § 56-304

MCE941287 Right Way Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE941288 Carnell Rivers Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE941289 Ditomas Enterprises Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941290 Cospito, Leigh t/a 4 C Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE941291 Titan Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941292 V.A.S.T. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941293 Parent, Dale t/a Parent Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE941294 Roe, James E.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941295 C&S Express Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941296 Parent, Dale t/a Parent Transportation
Alleged violation of SSIR Sec. 1023.5(e)
MCE941297 Donnelly Farms Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941298 C.M.B. Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941299 Mohasco Upholstered Furniture Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941300 Jackson & Johnson Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941301 Sun Rise Trucking Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941312 Kleins Moving & Storage, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941313 Turner Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941314 Reston Limousine & Travel Service, Inc.
Alleged violation of VA Code § 56-304
MCE941315 Suburban Truck Brokers Inc.
Alleged violation of VA Code § 56-304.1
MCE941316 Supreme Limousine Service Inc.
Alleged violation of VA Code § 56-304.1
MCE941317 Patterson, William F. Jr. t/a Bill Patterson Trucking
Alleged violation of VA Code § 56-304.1
MCE941318 Dawn Limousine Service Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941319 Moran Limousine Service Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941320 Tuckers Funeral Home Inc.
Alleged violation of VA Code §§ 56-338.106 and 58-338.111
MCE941321 Jordan, Margaret t/a Barnes Limo Service
Alleged violation of VA Code §§ 56-338.106 and 58-338.111
MCE941322 Best, Vicky L.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941323 Adventure Limousine Services Ltd.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941324 Choudhry, Muhammad A.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941325 Galebach, William L. t/a Maple Grove Towing
Alleged violation of SSIR Sec. 1023.5(e)
MCE941326 White Rock Distilleries Inc. t/a Lawrence & Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE941327 Keen Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941328 Transport Damaco International Ltee.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941329 Merola Enterprises Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941330 C&C Trucking of Duncan Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941331 Action Moving & Storage
Alleged violation of SSIR Sec. 1023.5(e)
MCE941332 Sun Coast Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941333 Garden Spot Distributors
Alleged violation of VA Code § 56-304.2

MCE941334 Mason Moving & Storage Company
Alleged violation of VA Code § 56-338.8
MCE941335 Shalap, David M.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941336 Griffin, Clinton Lee
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941337 Brown, Andrew M. t/a Andrew Limousine Service
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941338 Zalazar, Oscar R. t/a Peru Travel Services, Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941339 Hand, Tracie
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941340 Montgomery Sedan Service
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941341 Charles, Ian Garrick t/a Charles Limousines
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941350 Braswell, Andre t/a Braswell's Moving & Delivery Service
Alleged violation of SSIR Sec 1023.5(e)
MCE941351 DDI Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941352 Pryslak, George t/a Pryslak Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941353 Myers Truck Leasing Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941354 Pride Movers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941355 Phoenix Motor Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941356 Scout Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941357 Phelps Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941358 Hittman Transport Services Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941359 Schwerman Trucking Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE941360 Farmington Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941361 Buehler Lumber Co. t/a Pennsylvania Hardwood
Alleged violation of SSIR Sec. 1023.5(e)
MCE941362 T.W. Owens & Sons Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941363 Lee Apparel Co. Inc., The t/a Lee Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE941364 Haigler Trucking Company
Alleged violation of SSIR Sec. 1023.5(e)
MCE941365 Gay, Willie Jr. t/a Satellite Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941366 Shaw Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941367 Containerport Group Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941368 North Star Distribution Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941369 Wolfe Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941370 Sensenig, Harold Marvin t/a Marbee Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941371 Herring, Caroline E.
Alleged violation of VA Code § 56-288
MCE941372 Ricks, Darryl Lamont t/a Commonwealth Movers
Alleged violation of VA Code § 56-338.8
MCE941373 Sky Lines Inc.
Alleged violation of VA Code § 56-304
MCE941374 Powers Construction Inc.
Alleged violation of VA Code § 56-304
MCE941375 Hayden, Paul L. t/a American Pride Towing & Transport
Alleged violation of VA Code § 56-288
MCE941376 M&R Taxi Company Inc. t/a Blue Top Cab
Alleged violation of VA Code § 56-304

MCE941377 Arlington Yellow Cab Co., Inc.
Alleged violation of VA Code § 56-304
MCE941378 D&N Cab Inc.
Alleged violation of VA Code § 56-304
MCE941379 International Bedding Corp.
Alleged violation of VA Code § 56-304.2
MCE941380 Dodson, Bob d/b/a Dodson International Parts
Alleged violation of VA Code § 56-304.2
MCE941381 Leviton Manufacturing Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE941382 Severt Trucking
Alleged violation of VA Code § 56-304.2
MCE941383 Tacc International
Alleged violation of VA Code § 56-304.2
MCE941384 New Bakery Company of Ohio Inc., The
Alleged violation of VA Code § 56-304.2
MCE941385 Encotech d/b/a Carbon Service Co.
Alleged violation of VA Code § 56-304.2
MCE941386 Mike Granger Trucking Inc.
Alleged violation of VA Code § 56-304.1
MCE941387 Mediteranian Fish Co.
Alleged violation of VA Code § 56-304.1
MCE941388 Ryan, Kimberley A. t/a Southern Distributors
Alleged violation of VA Code § 56-304.1
MCE941389 Wey Trans Inc.
Alleged violation of VA Code § 56-304.1
MCE941390 Great American Van Lines Inc.
Alleged violation of VA Code § 56-304.1
MCE941391 Paper Cutters Inc.
Alleged violation of VA Code § 56-304.1
MCE941392 Pontino, Rocco and Pontino Rocco Jr. t/a Pontino Trucking
Alleged violation of VA Code § 56-304.1
MCE941393 Caro-Cris Transport Inc.
Alleged violation of VA Code § 56-304.1
MCE941431 Presidential Van Lines Inc.
Alleged violation of Commission injunction
MCE941432 Thompson Brothers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941433 M.T.I., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941434 Can Am Transport, Inc.
Alleged violation of SSIR Sec. 1023.5 (e)
MCE941435 EE Operating Corp. t/a West Contract Services of Pennsylvania
Alleged violation of SSIR Sec. 1023.5(e)
MCE941436 Annett Holdings Inc. t/a TMC Transportation, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941437 Suttles Truck Leasing Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941438 D&L Products, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941439 Kaolin Mushroom Farms Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941440 Kessler Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941441 Jones Motor Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941442 Silver Line Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941443 Swanson Boat Transport Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941444 Jag Enterprises Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941445 Tri-Star Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941446 Victory Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941447 Dart Transit Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941448 JTD Transport of New York, Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE941449 Allied Systems Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941450 Ranger Transportation, Inc.
Alleged violaiton of SSIR Sec. 1023.5(e)
MCE941451 Thompson, Jeff t/a Thompson Transfer
Alleged violation of SSIR Sec. 1023.5(e)
MCE941452 AJA Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941453 Southeast Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941454 Commercial Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941455 V M Trucking Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941456 Pre Mix Industries Inc. t/a PMI Trucking Co. Div.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941457 Everywhere Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941458 Spring Grove Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941459 Ken Long Trucking Co, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941460 Tart, Earl D. Jr t/a Tarts's Towing
Alleged violation of SSIR Sec. 1023.5(e)
MCE941461 GSN Trucking Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941462 Roberts Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941463 Ellington Manufacturing Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941464 Riley Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941465 Woodruff Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941466 Idiehl Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941467 Atlantic Coastal Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941468 Astro Courier Service Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941469 James A. Turner Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941470 Smith Transport Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941471 Patterson Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941472 Dahlonega Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941473 Rightway Xpress Inc. t/a Piedmont Co., The
Alleged violation of SSIR Sec. 1023.5(e)
MCE941474 Rightway Xpress Inc. t/a Piedmont Co., The
Alleged violation of SSIR Sec. 1023.5(e)
MCE941475 Unifi Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941476 Atlas Van Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941477 Williams, Wylie R. t/a Wylie R. Williams Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941478 Pike Transfer Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941479 Riehl, Elmer S. t/a Riehl's Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE941480 Whitlow, Joy Leon t/a Whitlow Auto Crushers
Alleged violation of VA Code § 56-288
MCE941481 Granja Contracting Inc.
Alleged violation of VA Code § 56-288
MCE941482 Perry, Thomas Woodard
Alleged violation of VA Code § 56-288
MCE941483 Crook, Arthur L. t/a A Lee's Delivery Service
Alleged violation of VA Code § 56-288

MCE941484 Summit USA Land Development Corp.
Alleged violation of VA Code § 56-288
MCE941485 Dominion Earthwork Inc.
Alleged violation of VA Code § 56-304.2
MCE941486 H&H Distributing Co.
Alleged violation of VA Code § 56-304.2
MCE941487 First Colony Homes Inc.
Alleged violation of VA Code § 56-304.2
MCE941488 Supplies Unlimited Inc.
Alleged violation of VA Code § 56-304.2
MCE941489 Ferebee & Son, Inc.
Alleged violation of VA Code § 56-304.2
MCE941490 Burton Lumber Corporation
Alleged violation of VA Code § 56-304.2
MCE941491 Moody Logging Inc.
Alleged violation of VA Code § 56-304.2
MCE941492 Cee & Bee Enterprises Inc. t/a Charley's Crane Service
Alleged violation of VA Code § 56-304.2
MCE941493 Smalls, George t/a George Transport
Alleged violation of VA Code § 56-304.2
MCE941494 Hyde, Charles Russel t/a R-B Hyde & Sons Trucking
Alleged violation of VA Code § 56-304.1
MCE941495 Mia Transport Inc.
Alleged violation of VA Code § 56-304.1
MCE941496 River City Enterprises Inc.
Alleged violation of VA Code § 56-304.1
MCE941497 Transportation Management Services, Inc.
Alleged violation of VA Code § 56-338.52
MCE941498 Transportation Management Services Inc.
Alleged violation of VA Code § 56-338.52
MCE941499 Harrison Moving & Storage
Alleged violation of VA Code § 56-304
MCE941500 Parker, Edward Eugene t/a Mike Parker
Alleged violation of VA Code § 56-304
MCE941501 Dubrook Trucking Inc.
Alleged violation of VA Code § 56-304
MCE941502 Hudgins, David Wayne
Alleged violation of VA Code § 56-304
MCE941503 Dominion Earthwork Inc.
Alleged violation of Lease Rule 3A
MCE941545 Gross, Richard Samuel t/a Salty Dog Express
Alleged violation of SSIR Sec. 1023.5(e)
MCE941546 Windley Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941547 Ridenhour Supply Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941548 D & L Products Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941549 Northstar Service Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941550 Maverick Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941551 Allegheny Plant Services Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941552 Merchants Moving & Storage Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941553 2102673 Nova Scotia Ltd. t/a Blue Mule Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE941554 Southern Freightways Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941555 Justice, Doug and Derrick t/a Just-Us Trucking
Alleged violation of SSIR Sec. 1023.5(e)
MCE941556 Norjas Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941557 Knezevic, Elliott t/a Sunshine Freight Services
Alleged violation of SSIR Sec. 1023.5(e)
MCE941558 Floyd E. Baker Trucking, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941559 B G Morrissey, Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE941560 Doyle, Shirley Ann t/a 4-D Enterprise
Alleged violation of SSIR Sec. 1023.5(e)
MCE941561 Schumacher, James A.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941562 Builders Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941563 Quality Carriers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941564 School House Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941565 Rail Head Transfer Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941566 H & R Plants, Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941567 East Coast Motor Freight Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941568 Guy M. Turner Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941569 Taylor, Clifton C. Jr. t/a Richmond Retail Furniture Delivery
Alleged violation of VA Code § 56-304
MCE941570 L.L. Carter, Inc.
Alleged violation of VA Code § 56-304
MCE941571 Owen, Ronald William
Alleged violation of VA Code § 56-304
MCE941572 Armitage, Patricia J. t/a P.A.T.S.
Alleged violation of VA Code § 56-304.1
MCE941573 Suburban Truck Brokers Inc.
Alleged violation of VA Code § 56-304.1
MCE941574 Fleenor Transport Inc.
Alleged violation of VA Code § 56-304.1
MCE941575 Hoffman, Lawrence Alvin t/a LTR Trucking
Alleged violation of VA Code § 56-304.1
MCE941576 Ridenhour Supply Inc.
Alleged violation of VA Code § 56-304.1
MCE941577 Bullock, Ronald R.
Alleged violation of VA Code § 56-304.1
MCE941578 John J. Hess II, Inc.
Alleged violation of VA Code § 56-304.1
MCE941579 Perry, Thomas Woodward t/a Perry's Trucking Co.
Alleged violation of VA Code § 56-304.1
MCE941580 Self, Ronald Wayne t/a Ronald Self Construction
Alleged violation of VA Code § 56-304.2
MCE941581 Southern Maryland Restoration Inc.
Alleged violation of VA Code § 56-304.2
MCE941582 Blakeman, Michael E.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941583 Team Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941584 Three C Trucking Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941585 Gene & Son Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941586 T.A.T. Transportation Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941587 Down East Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941588 Gill, Raymond W. III t/a R. W. Gill III Trucking
Alleged violation of VA Code § 56-304
MCE941589 Cropper, Peggy A. t/a Croppers Hauling
Alleged violation of VA Code § 56-304
MCE941590 L-Wood Inc. Southern Pine Specialists
Alleged violation of VA Code § 56-304
MCE941591 Donovan, Richard R. t/a Donovan's Excavating
Alleged violation of VA Code § 56-304
MCE941592 Star Concrete Construction Inc.
Alleged violation of VA Code § 56-304
MCE941593 Larry Davis General Contractor Inc.
Alleged violation of VA Code § 56-304
MCE941594 Parker, Edward Eugene t/a Mike Parker
Alleged violation of VA Code § 56-304

MCE941595 Owen Corp.
Alleged violation of VA Code § 56-304
MCE941596 Wilson, William Kean
Alleged violation of VA Code § 56-304
MCE941597 Foster's Van Lines & Storage Inc.
Alleged violation of VA Code § 56-304
MCE941598 Duffield Hauling Inc.
Alleged violation of VA Code § 56-304
MCE941599 Hayden, Paul L. t/a American Pride Towing & Transport
Alleged violation of VA Code § 56-304
MCE941600 Chopper Express Inc.
Alleged violation of VA Code § 56-304
MCE941601 Wilson, William R. t/a Wilson Trucking
Alleged violation of VA Code § 56-304
MCE941602 Ronnie E. Parker Trucking Co., Inc.
Alleged violation of VA Code § 56-304.1
MCE941603 K W Reese Inc.
Alleged violation of VA Code § 56-304.1
MCE941604 Ward Bennett Jr. Trucking Co., Inc.
Alleged violation of VA Code § 56-304.1
MCE941605 Woolard, John Taylor
Alleged violation of VA Code § 56-304.1
MCE941606 Jones, Frank Algena t/a Jones Trucking
Alleged violation of VA Code § 56-304.1
MCE941607 Jones, Frank Algena t/a Jones Trucking
Alleged violation of Va Code § 56-304.1
MCE941608 Wood, Claven A.
Alleged violation of VA Code § 56-304.1
MCE941609 Chamberland, Thomas
Alleged violation of VA Code § 56-304.1
MCE941610 Agricultural Commodities Inc.
Alleged violation of VA Code § 56-304.1
MCE941611 2628-4877 Quebec Inc. t/a Normandin Transit Enr.
Alleged violation of VA Code § 56-304.1
MCE941612 James D. Bailey Trucking Inc.
Alleged violation of VA Code § 56-304.1
MCE941613 Farruggio's Bristol & Philadelphia Auto Express Inc.
Alleged violation of VA Code § 56-304.1
MCE941614 Asphalt Paving & Construction Inc.
Alleged violation of VA Code § 56-304.2
MCE941615 S & S Nurseries Inc.
Alleged violation of VA Code § 56-304.2
MCE941616 Wilkerson Wood Inc.
Alleged violation of VA Code § 56-304.2
MCE941617 Concrete Services of Emporia Inc.
Alleged violation of VA Code § 56-304.2
MCE941618 Kerns Enteprise
Alleged violation of VA Code § 56-304.2
MCE941619 Mitchell, George H. t/a Mitchell Landscaping & Garden Center
Alleged violation of VA Code § 56-304.2
MCE941620 Al Shirley & Sons Inc.
Alleged violation of VA Code § 56-304.2
MCE941621 Lois Land Works Inc.
Alleged violation of VA Code § 56-304.2
MCE941622 Trowbridge Steel Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE941623 Mechanicsville Concrete Inc.
Alleged violation of VA Code § 56-304.2
MCE941624 Bost Construction Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE941625 Morais Enterprises Inc.
Alleged violation of VA Code § 56-304.2
MCE941626 GRC Inc.
Alleged violation of VA Code § 56-304.2
MCE941627 Ash, Leroy
Alleged violation of VA Code § 56-304.2
MCE941628 Howard Brothers Contractor Inc.
Alleged violation of VA Code § 56-304.2
MCE941629 Spring Valley Concrete Inc.
Alleged violation of VA Code § 56-304.2

MCE941630 Leonard-Splaine Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE941631 Bell Transport Inc.
Alleged violation of VA Code § 56-304.2
MCE941632 Beltway Paving Co.
Alleged violation of VA Code § 56-304.2
MCE941633 A. B. Veirs & Sons Inc.
Alleged violation of VA Code § 56-304.2
MCE941634 Hale, Barry L.
Alleged violation of VA Code § 56-304.2
MCE941635 Gradall Specialists Inc.
Alleged violation of VA Code § 56-304.2
MCE941636 Quality Trailer Products Corp. t/a Quality Trailer Products of Florence
Alleged violation of VA Code § 56-304.2
MCE941637 Stevens, Elizabeth t/a Interstate Asphalt
Alleged violation of Va Code § 56-304.2
MCE941638 Precision Millworks Inc.
Alleged violation of VA Code § 56-304.2
MCE941639 Virginia Lumber & Building Materials Inc.
Alleged violation of VA Code § 56-304.2
MCE941640 Eureka Van & Storage Co. Inc.
Alleged violation of VA Code § 56-338.8
MCE941641 Atlantic Transfer Inc.
Alleged violation of VA Code § 56-288
MCE941642 Wolf Contractors Inc.
Alleged violation of VA Code § 56-288
MCE941643 Potter Movers Inc.
Alleged violation of VA Code § 56-288
MCE941644 Wilson, Wiliam R. t/a Wilson Trucking
Alleged violation of VA Code § 56-288
MCE941645 James, Weldon Lee
Alleged violation of VA Code § 56-304.11
MCE941646 Blackwell, Richard
Alleged violation of VA Code § 56-304.11
MCE941647 Pope Transport Co. of Virginia
Alleged violation of VA Code § 56-304
MCE941648 Mansfield Oil Co. of Gainesville Inc.
Alleged violation of VA Code § 56-338.26
MCE941651 Reynolds Metals Co.
Alleged violation of VA Code § 56-304.2
MCE941652 Auto Brick & Title Works Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941659 Lily Transportation Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941660 Automotive Restyling Components Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941661 Braswell, Andre t/a Braswell's Moving and Delivery Service
Alleged violation of SSIR Sec. 1023.5(e)
MCE941662 CR&G Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941663 Apollo Transportation Specialist Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941664 Bestway Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941665 Smiths Moving & Storage Co., Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941666 Powell & Stokes Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941667 Chappell, Lloyd Gene
Alleged violation of SSIR Sec. 1023.5(e)
MCE941668 Canoochee Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941669 Besl Transfer Co., The
Alleged violation of SSIR Sec. 1023.5(e)
MCE941670 Ledfords Tire & Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941671 Miller Transfer & Rigging Co.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941672 Allied Pallet Co. Inc.
Alleged violation of Lease Rule 3A

MCE941673 Contractor Yard Inc. t/a Lowes of Roanoke #50
Alleged violation of Lease Rule 3A
MCE941674 Young Express Inc.
Alleged violation of Lease Rule 3A
MCE941675 Crewe Transfer Inc.
Alleged violation of Lease Rule 3A
MCE941676 Katcef Brothers Inc.
Alleged violation of VA Code § 56-304.2
MCE941677 Commercial Truck Leasing Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941678 Layden, Henry E.
Alleged violation of VA Code § 56-288
MCE941679 Wise, Jeff, William A. and Shirley S. t/a B. F. Wise & Sons
Alleged violation of VA Code § 56-288
MCE941680 Commonwealth Wood Preservers Inc.
Alleged violation of VA Code § 56-288
MCE941681 Neff & Neff Inc.
Alleged violation of VA Code § 56-288
MCE941682 Warren Trucking Co. Inc.
Alleged violation of VA Code § 56-289
MCE941683 E. V. Williams Co. Inc.
Alleged violation of VA Code § 56-304
MCE941684 Or-Grow Inc.
Alleged violation of VA Code § 56-304
MCE941685 C & S Towing Service Inc.
Alleged violation of VA Code § 56-304
MCE941686 Carey Hall Enterprises Inc.
Alleged violation of VA Code § 56-304
MCE941687 Jiroc-Bundy Inc.
Alleged violation of VA Code § 56-304
MCE941688 Bedford Mobile Home Movers Inc.
Alleged violation of VA Code § 56-304
MCE941689 Continental Petroleum & Energy Co.
Alleged violation of VA Code § 56-304
MCE941690 Summit USA Land Development Corp.
Alleged violation of VA Code § 56-304
MCE941691 Reston Limousine & Travel Service, Inc.
Alleged violation of VA Code § 56-304
MCE941692 Chambers Waste Systems of Virginia Inc. t/a Bay Disposal Co.
Alleged violation of VA Code § 56-304
MCE941693 Craft Forklift & Material Handling Service Inc.
Alleged violation of VA Code § 56-304
MCE941694 Whelan, Timothy D. t/a K T H Trucking
Alleged violation of VA Code § 56-304
MCE941695 Clark Transfer & Storage Co.
Alleged violation of VA Code § 56-304
MCE941696 Zuber Limousine Service Inc.
Alleged violation of VA Code § 56-304
MCE941697 Coley, Alfred Sr. t/a Yorktown Cab Co.
Alleged violation of VA Code § 56-304
MCE941698 Neff & Neff Inc.
Alleged violation of VA Code § 56-304
MCE941699 Marlin Manor Motel Corp. t/a Petry & Sons Construction
Alleged violation of VA Code § 56-304
MCE941700 Trainum, Lance Gordon t/a T & M Trucking
Alleged violation of VA Code § 56-304
MCE941701 S. W. Rodgers Company Inc.
Alleged violation of VA Code § 56-304
MCE941702 Perfect Solution Inc., The
Alleged violation of VA Code § 56-304.1
MCE941703 King, Antonio H. t/a AH King
Alleged violation of VA Code § 56-304.1
MCE941704 Griffin Industries Inc. (KY)
Alleged violation of VA Code § 56-304.1
MCE941705 H & J Trucking Inc.
Alleged violation of VA Code § 56-304.1
MCE941706 Gregory Trucking Co., Inc.
Alleged violation of VA Code § 56-304.1
MCE941707 Earl W. H. Mercer & Son
Alleged violation of VA Code § 56-304.1

MCE941708 River City Enterprises Inc.
Alleged violation of VA Code § 56-304.1
MCE941709 Wood, George M. Estate of
Alleged violation of VA Code § 56-304.2
MCE941710 Hill, Carl t/a R & R Furniture
Alleged violation of VA Code § 56-304.2
MCE941711 Hill, Carl t/a R & R Furniture
Alleged violation of VA Code § 56-304.2
MCE941712 Hill, Carl t/a R & R Furniture
Alleged violation of VA Code § 56-304.2
MCE941713 Tidewater Construction Corp.
Alleged violation of VA Code § 56-304.2
MCE941714 United Beverage Co. of Virginia Inc.
Alleged violation of VA Code § 56-304.2
MCE941715 Mr. Concrete, Incorporated
Alleged violation of VA Code § 56-304.2
MCE941716 City Ice Company
Alleged violation of VA Code § 56-304.2
MCE941717 Z P I Inc.
Alleged violation of VA Code § 56-304.2
MCE941718 Southwestern Container Inc.
Alleged violation of VA Code § 56-304.2
MCE941719 Inland Container Corp.
Alleged violation of VA Code § 56-304.2
MCE941720 Bradley, Inc.
Alleged violation of VA Code § 56-304.2
MCE941721 Mechanicsville Concrete Inc.
Alleged violation of VA Code § 56-304.2
MCE941722 Shenandoah Valley Press Inc.
Alleged violation of VA Code § 56-304.2
MCE941723 Hechinger Company Inc.
Alleged violation of VA Code § 56-304.2
MCE941724 H & J Trucking Inc.
Alleged violation of VA Code § 56-304.2
MCE941725 H & J Trucking Inc.
Alleged violation of VA Code § 56-304.2
MCE941726 Carey Hall Enterprises Inc.
Alleged violation of VA Code § 56-304.2
MCE941727 Carey Hall Enterprises Inc.
Alleged violation of VA Code § 56-304.2
MCE941766 Alghussain, Waleed K.
Alleged violation of VA Code § 56-304
MCE941767 Crown Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941768 Carson Farms Trucking Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941769 Serge Lemay Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941770 Ennis Corporation
Alleged violation of SSIR Sec. 1023.5(e)
MCE941771 Mayflower Transit Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941772 City Transport Company Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941773 North American Van Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941774 Fleet Carrier Corp.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941775 Meehan, Michael T. t/a Atlantic Coast Van Lines
Alleged violation of SSIR Sec. 1023.5(e)
MCE941776 Gapco-Redman Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941777 Paul Arpin Van Lines Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941778 Den-L-Trans Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941779 Cody Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941780 New-Con Transporation Inc.
Alleged violation of SSIR Sec. 1023.5(e)

MCE941781 Singer Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941782 Universal Am-Can Ltd.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941783 Transport E Asselin & Fils Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941784 S & H Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941785 Ivey, Gary t/a Ivey's Towing & Transport
Alleged violation of SSIR Sec. 1023.5(e)
MCE941786 Jordan Express Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941787 Thomas Transport System Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941788 Campbell, Sephus
Alleged violation of SSIR Sec. 1023.5(e)
MCE941789 Bullard, Josephine Langdor
Alleged violation of SSIR Sec. 1023.5(e)
MCE941790 Huffstickler, Dennis Ray and John Ray
Alleged violation of SSIR Sec. 1023.5(e)
MCE941791 Carpet Transport Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941792 Men at Work Moving & Storage Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941793 Gaudette Machinery Movers Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941794 Ronnie E. Parker Trucking Co. Inc.
Alleged violation of SSIR Sec. 1023.5(e)
MCE941795 Byrams, Jevester
Alleged violation of SSIR Sec. 1023.5(e)
MCE941796 Miller, Edward R.
Alleged violation of VA Code § 56-288
MCE941797 Siddig, Moawia H.
Alleged violation of VA Code § 56-288
MCE941798 Quesenberry, Greogory K.
Alleged violation of VA Code § 56-288
MCE941799 Bell Brothers
Alleged violation of VA Code § 56-304
MCE941800 Lee, John Akira
Alleged violation of VA Code § 56-304
MCE941801 Barrett, Earl T. Jr. t/a Barrett & Barrett Trucking
Alleged violation of VA Code § 56-304
MCE941802 Atlas Roll-Off Inc.
Alleged violation of VA Code § 56-304
MCE941803 Ibrahim, Mohamed A. t/a Arlington Blue Top Cab
Alleged violation of VA Code § 56-304
MCE941804 D&N Cab Inc.
Alleged violation of VA Code § 56-304
MCE941805 McDonald, John Wesley II
Alleged violation of VA Code § 56-288
MCE941806 Vandy Farms Inc.
Alleged violation of VA Code § 56-304
MCE941807 Plecker Contruction Co.
Alleged violation of VA Code § 56-304
MCE941808 JDS Transport Inc.
Alleged violation of VA Code § 56-304
MCE941809 Statewide Trucking Inc.
Alleged violation of VA Code § 56-304
MCE941810 Executive Moving Systems Inc.
Alleged violation of VA Code § 56-304
MCE941811 O'Neal, Clarence t/a O'Neal Trucking
Alleged violation of VA Code § 56-304.1
MCE941812 Armwood, Dwight Devone t/a D.A. Trucking Co.
Alleged violation of VA Code § 56-304.1
MCE941813 Gouge, Willard Jr.
Alleged violation of VA Code § 56-304.1
MCE941814 Haddock, Tommie Davis
Alleged violation of VA Code § 56-304.1
MCE941815 Brajkovich, Brylen
Alleged violation of VA Code § 56-304.1

MCE941816 Gary Renshaw Trucking Inc.
Alleged violation of VA Code § 56-304.1
MCE941817 Transport Pacha Inc.
Alleged violation of VA Code § 56-304.1
MCE941818 Arrow Moving Inc.
Alleged violation of VA Code § 56-304.1
MCE941819 Roman, Ronald A.
Alleged violation of VA Code § 56-304.1
MCE941820 AAA Automotive Transport
Alleged violation of VA Code § 56-304.1
MCE941821 E. Gordon Transport Co. Inc.
Alleged violation of VA Code § 56-304.1
MCE941822 Miles, Carl
Alleged violation of VA Code § 56-304.1
MCE941823 Transportation Logistics Inc.
Alleged violation of VA Code § 56-304.1
MCE941824 Export Transport Co.
Alleged violation of VA Code § 56-304.1
MCE941825 Norton, Terry t/a Norton Trucking
Alleged violation of VA Code § 56-304.1
MCE941826 Amtote International Inc.
Alleged violation of VA Code § 56-304.1
MCE941827 Most Health Services Inc.
Alleged violation of VA Code § 56-304.2
MCE941828 Araujo, Arthur t/a Arthur Construction Co.
Alleged violation of VA Code § 56-304.2
MCE941829 United Foundations Inc.
Alleged violation of VA Code § 56-304.2
MCE941830 Clark, Billy Curtis t/a Clarks Automotive Salvage Co.
Alleged violation of VA Code § 56-304.2
MCE941831 Dawkins, Rotha Joyce t/a Your Treasure Furniture
Alleged violation of VA Code § 56-304.2
MCE941832 Owen Stell Company Inc.
Alleged violation of VA Code § 56-304.2
MCE941833 Associated Materials Inc.
Alleged violation of VA Code § 56-304.2
MCE941834 Norcraft Companies Inc.
Alleged violation of VA Code § 56-304.2
MCE941835 Precision Transfer Inc.
Alleged violation of VA Code § 56-304.2
MCE941836 Zachariah, Shaw
Alleged violation of VA Code § 56-304.2
MCE941837 New District All Star Utility Co. Inc.
Alleged violation of VA Code § 56-304.2
MCE941838 J & J Trash Removal Inc.
Alleged violation of VA Code § 56-304.2
MCE941839 Amsco Sterile Recoveries
Alleged violation of VA Code § 56-304.2
MCE941840 Ira Watson Co.
Alleged violation of VA Code § 56-304.2
MCE941841 S & S Service Center Inc.
Alleged violation of VA Code § 56-304.2
MCE941842 Mangum, Kenneth Sidney
Alleged violation of VA Code § 56-304.2
MCE941843 Custom Packaging Inc.
Alleged violation of Lease Rule 3A
MCE941844 Exposaic Industries Inc. of Virginia
Alleged violation of Lease Rule 3A
MCE941845 Foster's Van Lines & Storage Inc.
Alleged violation of VA Code § 56-338.8
MCE941846 Fairfax Transfer & Storage Inc.
Alleged violation of VA Code § 56-338.8
MCE941847 Presidential Van Lines Inc.
Alleged violation of VA Code § 56-338.8
MCE941848 Atlantic Limousine Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941849 Sparks, Reginald
Alleged violation of VA Code §§ 56-338.106 and 56-338.111
MCE941850 S & T Enterprises Inc.
Alleged violation of VA Code §§ 56-338.106 and 56-338.111

MCO: MOTOR CARRIER DIVISION - OPERATIONS

MCO940321 Sumo-Container Station Inc.
For payment of tax by bad check
MCO940356 Pauley, Edsel A. t/a E. A. Pauley Hauling
Failure to replace bad check and remit $25 penalty
MCO940469 Dees, Inc.
For payment of motor fuel road taxes

MCS: MOTOR CARRIER DIVISION - RATES AND TARIFFS

MCS930183 Wingfield, Thomas W.
For certificate as a limousine carrier
MCS930184 Reston Limousine & Travel Service, Inc.
For certificate as a special or charter party carrier by motor vehicle
MCS930185 Merchant's Delivery Moving & Storage Inc., Transfer and Kloke Movers, Inc., Transferee
To transfer certificate as a household goods carrier HG-282
MCS930186 American Air Transport Inc.
To transfer household goods certificate No. HG-373
MCS930187 S&T Enterprises Inc.
For certificate as an executive sedan carrier
MCS930188 Mid-Atlantic Charter Service Inc., Transferor and Sun Line of Virginia, Inc. Transferee
To transfer portion of charter party carrier certificate No. B-386
MCS940001 O'Halloran Inc.
For certificate as a common carrier of passengers by motor vehicle over irregular routes
MCS940002 Supreme Limousine Service of Virginia, Inc.
For certificate as a special or charter party carrier by motor vehicle
MCS940003 Robinson, Michael G. t/a Snow Express
For certificate as a special or charter party carrier by motor vehicle
MCS940004 Arlington Limousine Service Inc.
For certificate as an executive sedan carrier
MCS940005 Jack's Launch Service Inc.
For a proposed rate increase
MCS940006 Hoar, Robert R.
Alleged violation of VA Code § 56-300
MCS940007 Moody, David Eric
For certificate as a limousine carrier
MCS940008 United Parcel Service
Formal complaint concerning rate increase
MCS940009 Fleet Transit Inc.
Alleged violation of VA Code § 56-338.36
MCS940010 Williams Bus Lines, Inc. Transferor and Laidlaw Transit (Virginia) Inc., Transferee
To transfer certificate as a special or charter party carrier No. B-376
MCS940011 Thompson, Walter t/a T&T & Associates Limo Service
Alleged violation of Commission order issued 10/16/91
MCS940012 Jonah, Chidiadi E.
Alleged violation of Commission order issued 10/16/91
MCS940013 Sero Ski Ventures, Inc.
Alleged violation of VA Code § 56-300
MCS940014 Moore, Robert E. t/a Bay Point Associates
Alleged violation of Commission order issued 5/29/92
MCS940015 Hollywood Limousine, Inc.
For certificate as a limousine carrier
MCS940016 Billups, Donna M.
For certificate as a limousine carrier
MCS940017 Smith Mountain Lake Cruises Inc. t/a Blue Water Cruise Co.
Alleged violation of VA Code § 56-300
MCS940018 Corporate Transportation Network, Inc.
For suspension of certificate No. LM-176
MCS940019 Aytes, Harvey Mark t/a Executive Sedan Service
For failure to file required information
MCS940020 Metropolitan Coach Corp.
For cancellation of certificate Nos. B-173 and S-45
MCS940021 Capitol Drivers Rental Service Inc.
For certificate as an executive sedan carrier
MCS940022 Stephens, Robert Ashby
For cancellation of certificate No. HG-339
MCS940023 McLean Limousine Company, The
For certificate as an executive sedan carrier
MCS940024 Uni-Ameri-Can Ltd.
Alleged violation of VA Code § 56-300

MCS940025 C M C Inc.
Alleged violation of Commission order issued 8/19/93

MCS940026 Murphy's Services, Ltd.
Alleged violation of Commission order issued 11/4/93

MCS940027 George Family Group, Inc.
For suspension of limousine certificate No. LM-130

MCS940028 Powell, Leah W.
For cancellation of executive sedan certificate No. XS-69

MCS940029 Walta, Michael H. t/a Luxury Limousine
To lift suspension of executive sedan certificate No. XS-58

MCS940031 P D Q II, Inc. t/a Cardinal Touring Associates
For cancellation of certificate No. B-140

MCS940032 Quality Tour Transport Inc.
For certificate as a special or charter party carrier by motor vehicle

MCS940033 Mossaid, Abdallah
For certificate as an executive sedan carrier

MCS940034 K And J Limousine Service Inc.
For certificate as a limousine carrier

MCS940035 Pyle, Barbara P. t/a BP Tour & Travel
For license to broker transportation of passengers by motor vehicle

MCS940036 Jones-Sumblin, Earva Lee t/a"Grup" Opportunity Travel Service Inc.
To transfer of certificate as a limousine carrier

MCS940037 Personal Limousine Excursion Inc.
For certificate as a limousine carrier

MCS940038 Silco Incorporated
For certificate as an executive sedan carrier

MCS940039 Reynolds Transfer & Storage Inc.
To amend certificate as a household goods carrier No. HG-419

MCS940040 Special Interest Leasing Co. Inc. d/b/a Carrington Limousine
To amend certain certificate as a limousine carrier No. Lm-76

MCS940041 Access Limousine Service Inc.
For certificate as a limousine carrier

MCS940042 Gold Star Tours Inc.
Alleged violation of VA Code § 56-300

MCS940043 Ground Transportation Specialists, Inc.
For certificate as an executive sedan carrier

MCS940044 Piedmont Transportation Inc.
For certificate as a petroleum tank truck carrier

MCS940045 Mom, Lezard D.
For certificate as an executive sedan carrier

MCS940046 Capital Limousine, Inc.
For certificate as a limousine carrier

MCS940047 Howell, Marvin t/a Howell Limousine Service
Alleged violation of VA Code § 56-300

MCS940048 Hale, Ronald W.
For certificate as an executive sedan carrier

MCS940049 Rutrough, Darell
For certificate as a special or charter party carrier by motor vehicle

MCS940050 Aardvark Transportation Services, Inc.
For certificate as a limousine carrier

MCS940051 Elegant Transport Inc. t/a MJ's Luxury Limousines
For certificate as a limousine carrier

MCS940052 Aardvark Transportation Services, Inc.
For certificate as an executive sedan carrier

MCS940053 Aytes, Harvey M. t/a Executive Sedan Service
For failure to file required information

MCS940054 Friendship Tours Inc.
For cancellation of certificate No. B-133

MCS940055 Virginia Coach Company
For suspension of certificate No. LM-100

MCS940057 Washington-Dulles Transportation, Ltd.
For certificate as a special or charter party carrier by motor vehicle

MCS940058 America Limousine Service Inc.
For certificate as a limousine carrier

MCS940059 Ghannam, Sabri M.
For certificate as an executive sedan carrier

MCS940060 Kim, Tae Goom
For certificate as a limousine carrier

MCS940061 Harmon, Raymond H. t/a Fredericksburg Limousine
For certificate as a limousine carrier

MCS940062 Elegant Limousine Service Inc.
For certificate as a limousine carrier
MCS940063 Bowman, Norton M. III
For certificate as a limousine carrier
MCS940064 Ex Parte: Rules and Regulations
For amendment to household goods rules and regulations
MCS940065 G&G Transportation Inc. Transferor and Linkous Christian Tours, Inc., Transferee
To transfer portion of certificate as special or charter party carrier by motor vehicle No. B-386
MCS940066 Mid-Atlantic Charter Service Inc.
To amend certificate as a special or charter party carrier No. B-386
MCS940067 Metropolitan Limousine Service Inc.
For certificate as a limousine carrier
MCS940068 Dream Date Company, The
For certificate as a limousine carrier
MCS940069 Absolute Limo and Ticket Service, Inc.
For certificate as a limousine carrier
MCS940070 Apple Valley Limo L.C.
For certificate as a limousine carrier
MCS940071 Welch Services Inc. t/a White's Limousine
For certificate as an executive sedan carrier
MCS940072 Hume, Bob
For certificate as a special or charter party carrier by motor vehicle
MCS940073 Land Cruises Inc.
For cancellation of certificate No. LM-122
MCS940074 Kirk, Anthony
For cancellation of certificate No. LM-245
MCS940075 Prison Visitation Project
For license to broker the transportation of passengers by motor vehicle
MCS940076 Meacham, Lloyd R.
For certificate as an executive sedan carrier
MCS940077 Black-Ty Limousine Services Inc.
For certificate as an executive sedan carrier
MCS940078 Nite Life Marina Inc.
To transfer limousine carrier certificate No. LM-264
MCS940079 Ex Parte: Rules and Regulations
For adoption of rules and regulations governing supervision, control and operation of petroleum tank truck carriers
MCS940080 Washington Coach Company
For certificate as as a limousine carrier
MCS940081 Groome Transportation Inc.
For removal of restriction (2) on certificate No. P-2533
MCS940082 Maslowski, Robert t/a Fantasy Limousine
For certificate as a limousine carrier
MCS940083 Fox, Melvin t/a Urban Transportation of Virginia
Alleged violation of VA Code § 56-300
MCS940084 Alpine Limousines of Tidewater
For cancellation of certificate No. LM-177
MCS940085 Hudnall, Elvin
For cancellation of certificate No. LM-222
MCS940086 Tri State Casino Tours Inc. of Virginia
For certificate as a common carrier of passengers by motor vehicle
MCS940087 Franklin Charter Bus Inc.
For certificate as a common carrier of passengers by motor vehicle over regular routes
MCS940088 Beverly, James H. t/a Beverly Hills Limo: 90210
For cancellation of certificate as a limousine carrier
MCS940089 Royal Limousine, Inc.
For cancellation of certificate as a limousine carrier No. LM-236
MCS940090 Al's Radio Cabs Inc.
To transfer certificate No. P-2405
MCS940091 Al's Radio Cabs Inc.
To transfer certificate No. B-226
MCS940092 Gulfstream Limousine Company
For certificate as a special or charter party carrier by motor vehicle
MCS940093 CEI Executive Services Inc.
For certificate as a limousine carrier
MCS940094 True Brit Inc.
Alleged violation of VA Code § 56-300
MCS940095 Elite Limousine Service
Alleged violation of VA Code § 56-300
MCS940096 Mathis, William D.
For cancellation of certificate as a limousine carrier No. LM-129

MCS940097 Executive Limousines Inc.
For certificate as a limousine carrier
MCS940098 Global International Limousine Services Inc.
For certificate as a limousine carrier
MCS940099 Woodward, Randy Eugene
For certificate as a limousine carrier
MCS940100 Ricks, Charles M. Jr. t/a Classic Limousine
Alleged violation of VA Code § 56-300
MCS940101 University Limousine Inc.
Alleged violation of VA Code § 56-300
MCS940102 Gourchal, Fouad El t/a "La Promenade"
For certificate as an executive sedan carrier
MCS940103 Professional Limo Service Inc.
For certificate as a limousine carrier
MCS940104 Traveling Eagle Ltd. t/a Blue Ridge Sedan Service
For certificate as an executive sedan carrier
MCS940105 Bulifant, Paul A.
For certificate as a limousine carrier
MCS940106 Roane, Ronald S. t/a Capital City Travel Agency
Alleged violation of VA Code § 56-300
MCS940107 Bristol-Jenkins Bus Lines Inc.
Alleged violation of VA Code § 56-300
MCS940108 Reinaldo, Alberto A.
For cancellation of certificate No. LM-233
MCS940111 Zuber Limousine Service Inc.
Alleged violation of VA Code § 56-300
MCS940113 Hoar-Hakenson Leasing Co. t/a Diamond Executive Transportation
For certificate as a limousine carrier
MCS940114 BSC Corporation
Alleged violation of VA Code § 56-300
MCS940115 American Eagle Limousine Inc.
For certificate as a limousine carrier
MCS940116 Judah, Saul
For certificate as an executive sedan carrier
MCS940117 Reate, Florencio A.
For certificate as an executive sedan carrier
MCS940118 Carter, Robert T.
For certificate as an executive sedan carrier
MCS940119 Giles, James H. Jr.
For certificate as an executive sedan carrier
MCS940120 Executive Sedan Management Services, Inc.
For certificate as an executive sedan carrier
MCS940121 Laroche Enterprises Inc.
For certificate as a common carrier of passengers by motor vehicle over irregular routes
MCS940122 Hudson, Francene E.
For certificate as an executive sedan carrier
MCS940123 Fairfax Coach Lines, Inc.
For certificate as a special or charter party carrier by motor vehicle
MCS940124 Winn, Neena G.
For cancellation of limousine certificate No. LM-227
MCS940125 Jones Transfer Moving & Contract Hauling, Inc.
Alleged violation of VA Code § 56-300
MCS940126 Four City Tours, Inc. t/a Contemporary Travel
Alleged violation of VA Code § 56-300
MCS940127 Crawford, Gene Rodney t/a Rodney's Limo Service
For certificate as a limousine carrier
MCS940128 Sok, Chenda
Alleged violation of VA Code § 56-300
MCS940129 Precious Cargo Children's Transportation Service, Inc.
For certificate as a common carrier of passengers by motor vehicle
MCS940130 O'Halloran, Inc.
To expand service territory as common carrier of passengers by motor vehicle
MCS940131 Moses, Morris Jr.
For certificate as a limousine carrier
MCS940132 Jeffrey Charles & Associates Inc.
For certificate as a limousine carrier
MCS940133 Airport Sedan, Inc.
To amend certain certificate as a limousine carrier No. LM-145
MCS940134 Classic Coaches Limousine Service, Inc.
For certificate as an executive sedan carrier

MCS940135 Chabathula, John t/a R J Executive Sedan Service
For certificate as an executive sedan carrier
MCS940136 Yellowbrick Road Ltd.
For license to broker the transportation of passengers by motor vehicle
MCS940137 Imani Tours Ltd.
For certificate as a special or charter party carrier by motor vehicle
MCS940138 Tidewater Touring Inc.
For certificate as a special or charter party carrier by motor vehicle
MCS940139 Lipscomb, Russell Allen t/a Classic Limousine Service
For certificate as a limousine carrier
MCS940140 Neon Limousines Inc.
For certificate as a limousine carrier
MCS940141 Long, David t/a Long's Limousine Service
For certificate as a limousine carrier
MCS940142 Occasion Unlimited Inc.
For certificate as a limousine carrier
MCS940143 Republic Portsmouth Storage Corp.
For transfer of interstate authority No. HG-162
MCS940144 Magyar Transport Corporation Transferor and Sunset Transport, Inc., Transferee
To transfer certificate as household goods carrier No. HG-442
MCS940145 CEI Executive Services Inc.
For certificate as an executive sedan carrier
MCS940146 First Limousine Service of Virginia
Alleged violation of VA Code § 56-300
MCS940147 National Limousine Inc.
Alleged violation of VA Code § 56-300
MCS940148 Unlimited Limo Inc.
Alleged violation of VA Code § 56-300
MCS940149 Coach Stop Limousine Service Inc., The
Alleged violation of VA Code § 56-300
MCS940150 Mays, Dan O.
Alleged violation of VA Code § 56-300
MCS940151 Connell, L. Shelly t/a Kid Taxi
For certificate as a common carrier of passengers by motor vehicle over irregular routes
MCS940152 Capital City Limousine Inc.
For certificate as a limousine carrier
MCS940153 Allen, Bruce G.
For certificate as a limousine carrier
MCS940154 Kids Connection Inc.
For certificate as a common carrier of passengers over irregular route
MCS940155 In Style Limousine Ltd.
For certificate as an executive sedan carrier
MCS940156 Martin Thomas McLaughlin Inc.
For certificate as a special or charter party carrier by motor vehicle
MCS940157 Universal Coach Tours Inc.
For certificate as special or charter party carrier by motor vehicle
MCS940158 Dinia, Karim t/a Executive Sedans
For certificate as an executive sedan carrier
MCS940159 Bowles, Jeffrey
For certificate as an executive sedan carrier
MCS940160 Abdalla, Maged M.
Alleged violation of VA Code § 56-300
MCS940161 Mossaid, Abdallah
For certificate as a limousine carrier
MCS940162 Erwin, Linda G. and Samuel R. Jr. t/a L & S Limousine Service
For certificate as a limousine carrier
MCS940163 Packett, Michael R. t/a Victory Lane Tours
For license to broker the transportation of passengers by motor vehicle
MCS940164 Reston Limousine & Travel Services, Inc.
For certificate as an executive sedan carrier
MCS940165 Eutsler, Garland T. II and Cairns, Ronald L. t/a Limousines of Shenandoah
For certificate as a limousine carrier
MCS940166 Pratt, Gary L.
For certificate as a limousine carrier
MCS940167 Celebrity Limousine & Chauffeur Service, Inc.
For certificate as a limousine carrier
MCS940168 Martens, Linwood A.
Alleged violation of VA Code § 56-300
MCS940172 Renaissance Limousine Inc.
Alleged violation of VA Code § 56-300

MCS940173 Rehmart, Ann M.
Alleged violation of VA Code § 56-300
MCS940174 Pyle, Barbara P. t/a BP Tour and Travel
Alleged violation of Commission order in Case No. MCS940035
MCS940175 Recreational Concepts, Inc.
Alleged violation of Commission order in Case No. MCS920147
MCS940176 Howell, Marvin t/a Howell Limousine Service
To transfer certificate as a limousine carrier No. LM-141
MCS940177 Tess Travel & Conference Services, Inc.
Alleged violation of Commission order in Case No. MCS930158
MCS940178 Reserved Royal Rides Inc.
For certificate as an executive sedan carrier
MCS940179 Crystal Coaches Limousine Service, Inc.
For certificate as a limousine carrier
MCS940180 Fitzgerald, Malcolm H. Transferor and Mac's Moving & Hauling, Inc., Transferee
To transfer certificate as a household goods carrier No. HG-448
MCS940181 At Your Service Limousines Inc.
For certificate as a limousine carrier
MCS940182 Roberts Tours, Incorporated
For certificate as a special or charter party carrier by motor vehicle
MCS940183 V.I.P. & Celebrity Limousines Inc.
For certificate as a common carrier of passengers by motor vehicle
MCS940184 Ultimate Limousines, Inc.
For cancellation of certificate Nos. LM-270 and XS-97
MCS940185 Bassa, Hamza K. t/a International Guest Services
For certificate as an executive sedan carrier
MCS940186 MAS Services, Inc.
For cancellation of limousine certificate No. LM-213
MCS940188 Shenandoah Tours Inc.
For cancellation of special or charter party carrier certificate No. B-279
MCS940189 Virginia Coach Lines Inc.
Alleged violation of VA Code § 56-300

PUA: DIVISION OF PUBLIC UTILITY ACCOUNTING

PUA930032 United Telephone Company
For authority to advance funds to affiliate, Sprint Corp.
PUA930033 Central Telephone Co. of Virginia
For authority to loan/advance funds to parent, Sprint Corp.
PUA940001 United Telephone-Southeast
For approval of service agreement with Sprint Mid-Atlantic Telecom
PUA940002 Central Telephone Co. of Virginia
For approval of proposed service agreement with affiliate
PUA940003 C&P Telephone Co. of Virginia
For authority to reimburse affiliate
PUA940004 C&P Telephone Co. of Virginia
To participate in filed contract with Bell Atlantic Network Services, Inc.
PUA940006 Clifton Forge Waynesboro Telephone Co.
For approval to amend affiliates agreement
PUA940007 Virginia Natural Gas Inc.
For authority to contract with affiliate for intermediate term gas supply services
PUA940008 Bell Atlantic-Virginia Inc.
For renewal contract with BADG for photocomposition services
PUA940009 Sydnor Water Corp and Wilderness Water Utility Associates
For authority to transfer utility assets
PUA940010 Shenandoah Telephone Company
For approval of affiliate agreement
PUA940011 Potomac Edison Company, The
For authority to dispose of utility assets
PUA940012 Virginia Natural Gas
For authority to enter into aerial patrol agreement
PUA940013 Potomac Edison Company, The
For approval to enter into tax allocation agreement
PUA940014 Potomac Edison Company, The
For approval of service agreement
PUA940016 Virginia Electric & Power Co.
For approval of agreement with affiliates
PUA940017 United Cities Gas Co.
For approval of real property lease agreement
PUA940018 Alpha Water Corporation
For authority to transfer utility assets

PUA940019 Delmarva Power & Light Company
For approval of lease of certain facilities from affiliate
PUA940020 Shawnee Water Company
For authority to transfer facilities to Twin Coves Water Works, Inc.
PUA940021 Potomac Edison Company, The
For authority to dispose of utility assets
PUA940022 C&P Suffolk Water Company
For approval of acquisition of water system
PUA940023 United Telephone-Southeast
For approval to provide telemarketing services to affiliates
PUA940024 Central Telephone Co. of Virginia
For authority to loan or advance funds to parent, Central Telephone Co.
PUA940025 Potomac Edison Company, The
For approval to enter into emission allowance management agreement
PUA940026 Central Telephone Co. of Virginia
For authority to obtain administrator processor network services from affiliate
PUA940027 United Telephone-Southeast Inc.
For authority to obtain administrator processor network services from affiliate
PUA940028 Commonwealth Gas Services Inc. and Commonwealth Propane Inc.
For approval of transfer of utility property
PUA940029 Appalachian Power Company
For consent to and approval of modification of existing inter-company agreement with affiliate
PUA940030 Potomac Edison Company, The
For consent to and approval of modification of existing inter-company agreement with affiliate
PUA940031 Smith Mountain Water Co. and Stripers Landing Comprehensive Property Owners Association, Inc.
For authority to transfer utility assets
PUA940032 Virginia-American Water Co.
For approval of lease agreement with affiliate
PUA940033 Brandi Wine Water Works Ltd.
To purchase assets of Five Lakes Water System from Oak Hill Farms
PUA940034 LDDS Communications Inc.
To acquire control of Wiltel, Inc., Wiltel of Virginia, Inc. and for approval of related transactions
PUA940035 Central Telephone Co. of Virginia
For approval of service agreement with Sprint/United Management Co., affiliate
PUA940036 Bell Atlantic-Virginia Inc.
For authority to continue to provide increase in billing services
PUA940037 Southwestern Virginia Gas Co.
For authority to enter into affiliate transactions
PUA940038 Virginia Natural Gas Inc.
For authority to dispose of public utility assets
PUA940039 Virginia Natural Gas Inc. and CNG Energy Services Corp.
For amendment to authority to contract for winter peaking service
PUA940042 Tidewater Water Co.-Isle of Wight and Aqua Systems, Inc.
To convey certain assets to Isle of Wight Co.
PUA940043 MFS Communications Co. Inc.
To acquire Virginia Metrotel, Inc.
PUA940044 Delmarva Power & Light Company
For approval of company's purchase of common stock of Conowingo Power Co. and related matters
PUA940045 Central Telephone Co. of Virginia
For rule to show cause for apparent violations of VA Code § 56-77
PUA940046 Central Telephone Co. of Virginia
For authority to advance funds to affiliate, Central Telephone Co.
PUA940048 United Telephone-Southeast Inc.
For authority to advance funds to affiliate, Sprint Corp.
PUA940049 Appalachian Power Company
For authority to merge subsidiary into parent
PUA940050 Old Dominion Electric Cooperative
For authority to dispose of and to acquire utility assets
PUA940052 Reston Lake Anne Air Conditioning Corp.
For approval of affiliate agreement
PUA940055 Central Telephone Co. of Virginia
For authority to amend and extend directory publishing agreement with Cendon
PUA940056 Central Telephone Co. of Virginia
For approval of warehousing and distribution agreement and purchase arrangement with North Supply Co.
PUA940057 GTE South Inc. and GTE Telecom Inc.
For approval of affiliate agreement
PUA940058 Battery Park Atesian Water Co.
To convey certain assets to the Isle of Wight County, VA
PUA940059 Central Telephone Co. of Virginia
For approval of an operator services agreement with Carolina Telephone and Telegraph Co.

PUC: DIVISION OF COMMUNICATIONS

PUC930035 Contel of Virginia d/b/a GTE
To implement community calling plan in GTE Virginia exchanges Richmond/Lynchburg lata

PUC930037 AT&T Communications of Virginia, Inc.
To withdraw Anyhour Virginia with card discount service

PUC940001 Lynchburg Cellular Joint Venture and Century Lynchburg Cellular Corp.
For cancellation of certificate and issuance of new certificate

PUC940002 Virginia RSA 3 Limited Partnership
To amend certificate for addition of cell site in Hillsville

PUC940003 Bell Atlantic-Virginia, Inc.
To implement local calling plans in C&P exchanges in Roanoke and Culpeper latas

PUC940004 Bell Atlantic-Virginia, Inc.
To implement local calling plan in West Point exchange

PUC940005 Bell Atlantic-Virginia Inc.
To implement extended local service from Christiansburg to Alum Ridge exchange

PUC940006 Eastern Telecom Corp.
For alleged violation of Commission rules for pay telephone instruments located in the Commonwealth

PUC940007 Bell Atlantic-Virginia Inc.
1993 Annual informational filing

PUC940008 Central Telephone Co. of Virginia
1993 Annual informational filing

PUC940009 Contel Of Virginia
1993 Annual informational filing

PUC940010 GTE South
1993 Annual informational filing

PUC940011 United Telephone-Southeast
1993 Annual informational filing

PUC940012 Bell Atlantic-Virginia Inc.
To implement local calling plan in exchanges in Norfolk lata

PUC940013 Mid Atlantic Paging Company
For cancellation of existing certificate and issuance of a new certificate to Firstpage USA of Virginia Inc.

PUC940014 Richmond Cellular Telephone Co. and RCTC Wholesale Co.
For issuance of certificate as a cellular mobile radio common carrier and for cancellation of certificate

PUC940015 MCI Telecommunications Corp. of Virginia
For authority to offer non-tariffed competitive pricing arrangement

PUC940018 Access Transmission Services of Virginia, Inc.
For certificate to provide inter-lata/interexchange telecommunications service in Virginia

PUC940019 Bell Atlantic-Virginia, Inc.
To implement extended local service from Enon, Hopewell, and Petersburg exchanges

PUC940020 Pactel Paging of Virginia Inc.
To amend certificate to reflect new corporate name

PUC940021 Bell Atlantic-Virginia, Inc.
To implement extended local service from Culpeper exchange to Sprint/Centel's Washington, Virginia exchange

PUC940022 Bell Atlantic-Virginia, Inc.
To implement extended local service from Cumberland to Arvonia, Buckingham and Dillwyn exchanges of Centel

PUC940023 Bell Atlantic-Virginia, Inc.
To implement extended local service from Bethia, Midlothian, Powhatan, and Richmond exchanges to Amelia Telephone Corp.'s Amelia exchange

PUC940025 Virginia RSA #4 Inc.
To acquire certificates of Virginia RSA #5, Inc.

PUC940026 Bell Atlantic-Virginia, Inc.
To implement local calling plan in Cape Charles exchange

PUC940027 Bell Atlantic-Virginia Inc.
To implement local calling plan in Hampton, Newport News, Peninsula, and Poquoson exchanges

PUC940028 Bell Atlantic-Virginia Inc.
To implement local calling plan in Williamsburg exchange

PUC940029 Contel of Virginia, Inc. d/b/a GTE Virginia
To implement extended local service from Gloucester exchange to King and Queen exchange

PUC940030 Virginia Cellular Limited Partnership
To amend certificate for new cell site expanding Richmond CGSA

PUC940031 Contel Cellular of Richmond Inc.
To amend certificate for new cell site expanding Roanoke GSA

PUC940033 Virginia RSA 5 Limited Partnership
To amend certificate for new cell site expanding Rural Service Area 5

PUC940034 Virginia Cellular Limited Partnership
To amend certificate for new cell site expanding Norfolk, Virginia Beach, and Portsmouth CGSA

PUC940036 AT&T Communications of Virginia Inc.
To withdraw AT&T 800 Plan E

PUC940037 Bell Atlantic-Virginia Inc.
To implement extended local service from Roanoke exchange to Roanoke and Botetourt Telephone Company's Fincastle exchange

PUC940038 Bell Atlantic-Virginia Inc.
To implement extended local service from Lynchburg exchange to Centel's Altavista exchange
PUC940039 Bell Atlantic-Virginia Inc.
For approval of revised tariffs
PUC940040 Southwestern Bell Mobile Systems, Inc. and Suburban Cellular, Inc.
For reissuance of certificates
PUC940041 H&W Investments
For rule to show cause for violation of rules for pay telephone service and instruments
PUC940042 Bell Atlantic-Virginia Inc.
To implement extended local service from Staunton to Raphine exchange
PUC940043 Central Telephone Co. of Virginia
To implement extended local service from Charlottesville exchange to Bell Atlantic-Virginia's Gordonsville exchange
PUC940046 Bell Atlantic-Virginia Inc.
To implement extended local service from Roanoke exchange to Bedford exchange
PUC940047 Bell Atlantic-Virginia Inc.
To implement extended local service from Roanoke exchange to Centel's Burnt Chimney exchange
PUC940048 GTE South Inc.
To implement extended local service between Capron and Courtland exchanges
PUC940049 Eastern Telecom Corp.
Rule to show cause for alleged violation of rules for pay telephone service and instruments

PUE: DIVISION OF ENERGY REGULATION

PUE930009 High Knob Associates
For certificate to provide water service to High Knob Subdivision in Warren County, VA
PUE930071 C&P Suffolk Water Co.
For certificate to provide water service in the Suffolk area
PUE930073 Appalachian Power Co.
To amend certificate authorizing operation of transmission lines and facilities in county of Pittsylvania
PUE930075 Roanoke Gas Company
For order of clarification
PUE940001 Roanoke Gas Company
For extension of time to file annual informational filing
PUE940002 Commonwealth Public Service Corp.
Annual informational filing for year ended 9/30/93
PUE940003 Potomac Edison Co., The
To revise fuel factor tariff pursuant to VA Code § 56-249.6
PUE940004 Washington Gas Light Co.
For approval of pilot programs to promote installation of high efficiency gas appliances
PUE940005 Energy Solutions Inc., Complainant v. Virginia Electric & Power Co.
For informal complaint against Virginia Power regarding relocation rights
PUE940006 Virginia Electric & Power Co.
Petition for declaratory judgment
PUE940007 Sydnor Water Corporation
For certificate to provide water utility services and for approval of rates, charges, rules and regulations
PUE940008 Virginia Electric & Power Co.
For approval of proposed Energy Saver Home Plus Program
PUE940009 Potomac Edison Company, The
For extension of time to file 1993 annual informational filing
PUE940010 Thomas Bridge Water Corp.
To increase its tariffs
PUE940011 Virginia-American Water Co.
For extension of time to file annual informational filing
PUE940012 Mecklenburg Electric Cooperative
For approval of large power service schedule - Schedule LP-2
PUE940013 Delmarva Power & Light Company
1993 Annual informational filing
PUE940014 Crowe, Rachel et Al. v. Po River Water & Sewer Co. and Indian Acres Club of Thornburg, Inc.
Petition for declaratory judgment
PUE940015 Southwestern Virginia Gas Co.
Annual informational filing
PUE940016 Reston/Lake Anne Air Conditioning Corp.
For change in tariff for chilled water service
PUE940017 Commonwealth Gas Services Inc.
Alleged violations of various subparts of 49 C.F.R. Sections 192, 193 and 199
PUE940018 Land'Or Utility Company Inc.
For temporary schedule of rates pursuant to VA Code § 56-245
PUE940019 Kentucky Utilities Co. t/a Old Dominion Power Co.
For 1993 annual informational filing
PUE940020 Virginia Natural Gas Company
For 1993 annual informational filing

PUE940021 Commonwealth Gas Services Inc.
1993 annual informational filing

PUE940022 Central Virginia Electric Cooperative
For certificate to construct 138 KV transmission line

PUE940023 United Cities Gas Company
1993 annual informational filing

PUE940025 Washington Gas Light Company
For proposed revised developmental natural gas vehicle Service Rate Schedule No. 8

PUE940026 Roanoke Gas Co.
For refund of overcollection of gas costs

PUE940027 ES One, Inc., ES Four, Inc., and ES Eight, Inc.
For resolution of dispute over negotiations with Virginia Electric & Power Co.

PUE940028 Virginia Gas Distribution Co.
To amend certificate pursuant to VA Code § 56-265.3

PUE940029 Delmarva Power & Light Company
To revise cogeneration tariff pursuant to PURPA Section 210

PUE940030 Ex Parte: Standards
Consideration of standards for integrated resource planning and investments in conservation and demand management for natural gas utilities

PUE940031 Washington Gas Light Company
For a general increase in rates, to revise its tariffs and to revise developmental natural gas vehicle service rate

PUE940032 Washington Gas Light Company
For certification of utility facilities and for amendment of certificate pursuant to VA Code §§ 56-265.2 and 56-265.3

PUE940033 Delmarva Power & Light Company
To revise fuel factor pursuant to VA Code § 56-249.6

PUE940034 Foster Brothers Inc.
For interpretation of VEPCO's Schedule 27

PUE940035 Mecklenburg Electric Cooperative
For certificate to construct and operate 230 kV insulated/115 kV operated transmission line substation in Banister Mgisterial District in Halifax County

PUE940036 Virginia Electric & Power Co.
To amend certificate authorizing operation of transmission lines and facilities in Prince William County

PUE940038 Ecopower Inc. V. Virginia Electric & Power Co.
Petition to execute contracts

PUE940039 Roanoke Gas Company
For increase in rates and revision in tariffs

PUE940040 Dominion Resources, Inc. and Virginia Electric & Power Co.
Order establishing investigation

PUE940041 Appalachian Power Company
For approval of demand side management program

PUE940042 Commonwealth Gas Services Inc.
For approval of pilot programs to promote installation of certain high efficiency gas appliances

PUE940043 Kentucky Utilities Co. d/b/a Old Dominion Power Co.
To revise fuel factor pursuant to VA Code § 56-249.6

PUE940044 Appalachian Power Company
To amend certificate authorizing operation of transmission lines and facilities in Counties of Bedford, Franklin and Pittsylvania

PUE940045 Potomac Edison Co., The
For an increase in rates

PUE940046 Shenandoah Gas Company
1994 annual informational filing

PUE940047 Luck Stone Corp. v. Rappahannock Electric Cooperative
Petition for declaratory judgment

PUE940048 City of Virginia Beach, The
For certificate pursuant to VA Code § 25-233

PUE940050 Ex Parte: Rules
Adoption of rules to govern safety of master-metered natural gas systems pursuant VA Code § 56-257.2

PUE940051 Ex Parte: Investigation
Investigation of Dominion Resources, Inc. and Virginia Electric & Power Co.

PUE940053 Tidewater Water Co. - Isle of Wight, et al.
For an increase in tariffs

PUE940054 Virginia Natural Gas, Inc.
For expedited increase in gas rates and for approval of rate schedules to provide natural gas service for motor vehicles

PUE940056 Northern Virginia Electric Cooperative
For approval of experimental demand-side management program

PUE940057 Virginia Electric & Power Co.
For approval of pilot program to establish standby generation control system

PUE940059 Virginia Electric & Power Co.
To revise its fuel factor

PUE940060 Crockett, Jimmy R. v. Pocahontas Water Works, Inc.
For an increase in tariffs

PUE940062 Brandi Wine Water Works Ltd.
For certificate to provide water service

PUE940063 Appalachian Power Company
For an expedited increase in base rates
PUE940064 Appalachian Power Company
To revise its fuel factor pursuant to VA Code § 56-249.6
PUE940065 Appalachian Power Company
To revise its cogeneration tariffs pursuant to PURPA Section 210
PUE940066 Virginia Electric & Power Co.
For approval of association between VA Power, Hughes Power Control, et al.
PUE940067 Ex Parte: Standards
Consideration of standards for integrated resource planning, investments in conservation and demand management and energy efficiency in power generation
PUE940068 Williamsburg Court Water Co .
For amendment of certificate pursuant to VA Code § 56-265.3(d)
PUE940070 Ex Parte: Rules
Adoption of rules to govern safety of intrastate hazardous liquid pipelines pursuant Virginia Hazardous Liquid Pipeline Safety Act
PUE940071 Ex Parte: Rules
Adoption of rules necessary to implement SCC's authority to enforce Underground Utility Damage Prevention Act
PUE940072 Stone Mountain Joint Venture
Notification of intent to furnish gas service to Powell Mountain Joint Venture pursuant to VA Code § 56-265.4:5
PUE940073 Harbour East Sewerage Co.
For cancellation of certificate
PUE940074 Washington Gas Light Company
For authority to continue developmental natural gas vehicle service rate Schedule No. 8 as an experimental tariff
PUE940075 Central Virginia Electric Cooperative
For change in electric rates
PUE940076 Commonwealth Public Service Corp.
For an expedited increase in rates
PUE940077 Sheetz, Incorporated
For exercise of Commission authority pursuant to VA Code § 56-232.2
PUE940078 Virginia Gas Storage Co.
For certificate authorizing VGSC to develop, construct, own and operate Early Grove underground natural gas storage field and related facilities
PUE940079 LaFon, Raymond v. Hoges Chapel Water Service Corp.
For an increase in rates
PUE940081 Belk, Suely, et al. v. Land'or Utility Co., Inc.
For an increase in rates, charges, and fees

PUF: DIVISION OF ECONOMICS AND FINANCE

PUF940001 Mecklenburg Electric Cooperative
For authority to issue short-term debt
PUF940002 Appalachian Power Company
For authority to issue bonds and preferred stock
PUF940003 Roanoke Gas Company
For authority to issue short-term debt
PUF940004 Southside Electric Cooperative
To raise borrowing limit with REA to $15,000,000
PUF940005 Northern Virginia Electric Cooperative
For authority to issue notes
PUF940006 Appalachian Power Company
For authority to enter into a lease
PUF940007 Virginia Telephone Company
For authority to borrow from REA
PUF940008 Southside Electric Cooperative
For authority to borrow long term debt
PUF940009 Northern Virginia Electric Cooperative
For authority to convert fixed rate loans to variable rate loans
PUF940010 Roanoke Gas Company
For authority to issue common stock
PUF940011 Delmarva Power & Light Co.
For authority to issue common stock and/or long term debt
PUF940012 Northern Neck Electric Cooperative
For authority to issue short-term debt
PUF940013 Mecklenburg Electric Cooperative
For authority to issue long-term debt
PUF940014 Washington Gas Light Company
For authority to issue debt, preferred stock and common stock
PUF940015 Virginia Gas Distribution Co.
For authority to incur indebtedness
PUF940016 Washington Gas Light Company
For authority to issue short-term debt and to sell commercial paper to affiliates

PUF940017 Washington Gas Light Co. and Shenandoah Gas Co.
For authority to make and receive interest-bearing cash advances on open account
PUF940018 Delmarva Power & Light Co.
For authority to issue tax exempt debt
PUF940019 Virginia Telephone Company
For authority to issue debt
PUF940020 Shenandoah Valley Electric Cooperative
For authority to issue notes
PUF940021 Central Virginia Electric Cooperative
For authority to issue long-term debt
PUF940022 Virginia Electric & Power Co. and Dominion Resources, Inc.
For authority to continue amended and restated inter-company credit agreement
PUF940023 BARC Electric Cooperative
For authority to issue long-term debt
PUF940024 Kentucky Utilities Company
For authority to incur short-term indebtedness
PUF940027 United Cities Gas Company
For authority to incur short-term indebtedness
PUF940028 United Cities Gas Co. and UCG Energy Corp.
For authority to transfer common stock
PUF940029 Virginia Electric & Power Co.
For authority to assume tax-exempt debt securities
PUF940030 United Cities Gas Company
For authority to issue common stock
PUF940031 Washington Gas Light Company
For authority to issue common stock
PUF940032 Virginia Electric & Power Co.
For authority to sell common stock
PUF940033 GTE South Inc.
For authority to incur short-term indebtedness
PUF940035 Virginia Natural Gas Inc. and Consolidated Natural Gas Co.
For short-term debt, long-term debt and issuance of common stock
PUF940036 Commonwealth Gas Services Inc. and The Columbia Gas System Inc.
For approval of intercompany financing in 1995

RRR: DIVISION OF RAILROAD REGULATION

RRR940001 Norfolk Southern Railway Co.
For authority to close Fieldale, VA agency and to place agency under jurisdiction of agency at Roanoke, VA
RRR940002 CSX Transportation Inc.
For authority to consolidate existing agency service at Richmond, VA into customer service center at Jacksonville, FL
RRR940003 Norfolk Southern Railway
To abolish mobile agency Route NW-VA-7 based at South Boston, VA
RRR940004 CSX Transportation Inc.
For authority to consolidate agency service at Covington, VA into customer service center at Jacksonville, FL
RRR940005 Norfolk Southern Railway Co.
For authority to close Suffolk, VA agency
RRR940006 Norfolk Southern Railway Co.
For authority to abolish mobile agency Route NW-VA-4 based at Hopewell, VA
RRR940007 Norfolk Southern Railway Co.
For authority to abolish mobile agency Route NW-VA-5 based at Roanoke, VA and to transfer duties to agency at Roanoke, VA
RRR940008 Norfolk Southern Railway Co.
For authority to abolish mobile agency Route NW-VA 6 based at Roanoke, VA and to transfer duties to agency at Roanoke, VA

SEC: DIVISION OF SECURITIES AND RETAIL FRANCHISING

SEC940001 John Stewart Darrell & Co.
For offer of compromise and settlement
SEC940002 Black, John E.
Alleged violation of VA Code §§ 12.1-502, et al.
SEC940003 Cattail Creek County Club Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940004 Petrostar-Holifield Energy Co.
For offer of compromise and settlement
SEC940005 Decker, Paul Vincent
For offer of compromise and settlement
SEC940006 Holifield Exploration Corp.
For offer of compromise and settlement
SEC940007 Blumer, James Gordon
For offer of compromise and settlement

SEC940008 Franklin Mortgage Capital Corporation
Alleged violation of VA Code § 6.1-416
SEC940009 Securities America Inc.
For offer of compromise and settlement
SEC940010 Community United Methodist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940011 Mount Carmel Missionary Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940012 Major Marketing Corp.
For offer of compromise and settlement
SEC940013 Comedy Dating Corp. d/b/a Marry Me
For offer of compromise and settlement
SEC940014 Maxine, Jayne B.
For offer of compromise and settlement
SEC940015 Colonial Heights Baptist Church of Colonial Heights, VA
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940016 Fourth Financial Corp.
For official interpretation pursuant to VA Code § 13.1-525
SEC940017 Kuta, Gilbert Anthony
For implementation of special supervisory procedures
SEC940018 Trinity Presbyterian Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940019 Oakton United Methodist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940020 BCG Investment Resources Inc.
For offer of compromise and settlement
SEC940021 Kendrick, Douglas Wayne
For offer of compromise and settlement
SEC940022 Saunders Discount Brokerage
For offer of compromise and settlement
SEC940023 Columbia Union Revolving Fund
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC940024 Rockford Institute Pooled Income Fund, The
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940025 Lighthouse Worship Center Hayes, VA
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940026 Convenience Light Inc.
Alleged violation of VA Code §§ 13.1-504(b) and 13.1-507
SEC940027 Cadaret, Grant & Co., Inc.
For offer of compromise and settlement
SEC940028 Dove, Francis R.
Alleged violation of VA Code § 13.1-502
SEC940029 Southside Baptist Temple
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940030 Hospitals and Higher Education Facilities, Authority of Philadelphia, The
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940031 National Association of Securities Dealers, Inc.
For promulgation of rule pursuant to VA Code § 13.1-523
SEC940032 New Canaan Pentecosal Church
For order of exemption pursuant VA Code § 13.1-514.1.B
SEC940033 Neabsco Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940034 Twenty First Investors
For offer of compromise and settlement
SEC940035 Southeastern District-LCMS Church Extension Fund, Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940036 Edward J. Cole Financial Consultant, Inc.
For offer of compromise and settlement
SEC940037 RBH Equities Inc.
For offer of compromise and settlement
SEC940038 Advisory Financial Group, Inc.
For offer of compromise and settlement
SEC940039 First Financial Resources
For offer of compromise and settlement
SEC940040 Professional Financial Planning, Inc. d/b/a Financial Advisors of Virginia, Inc.
For offer of compromise and settlement
SEC940041 Carter Advisory Services, Inc.
For offer of compromise and settlement
SEC940042 Trinity Presbyterian Church, The
For order of exemption pursuant to VA Code § 13.1-514.1.B

SEC940043 Royal Alliance Associates Inc.
For offer of compromise and settlement
SEC940044 Financial Network Advisory Corp.
For offer of compromise and settlement
SEC940045 Mission Investment Fund of The Evangelical Lutheran Church in America
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940046 Student Loan Acquisition Authority of Arizona
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940047 Shearson Lehman Brothers Inc.
For offer of compromise and settlement
SEC940048 Ex Parte: Security Act Rules
Promulgation of rules pursuant to VA Code § 13.1-523
SEC940049 Blackwell, Jerry A. d/b/a B. W. Industries
Alleged violation of VA Code §§ 13.1-504(a), et al.
SEC940050 CFS Securities, Inc.
For offer of compromise and settlement
SEC940051 Gedeon, Anthony A.
For offer of compromise and settlement
SEC940052 Incredible Italian Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940053 Dean Witter Reynolds Inc.
For official interpretation pursuant to VA Code § 13.1-525
SEC940054 Desanto, David A.
For offer of compromise and settlement
SEC940055 Fletcher and Faraday Inc.
For offer of compromise and settlement
SEC940056 Peterman, William W.
For offer of compromise and settlement
SEC940057 Raymond James & Associates Inc.
For offer of compromise and settlement
SEC940058 Dierauer, William Morgan
For implementation of special supervisory procedures
SEC940059 Flora and Mary Hewitt Memorial Hospital Inc., The
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940060 National Covenant Properties
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940061 Brenner Securities Inc.
For offer of compromise and settlement
SEC940062 Northside Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940063 Brown, Richard d/b/a Financial Advice Made Easy
For offer of compromise and settlement
SEC940064 Boston Capital Services Inc.
For offer of compromise and settlement
SEC940065 Chapel Grove United Church of Christ
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940066 Western National Group, L.P.
For official interpretation pursuant to VA Code § 13.1-525
SEC940067 Tucker Anthony Incorporated
For offer of compromise and settlement
SEC940068 Pointek, William Chester
For implementation of special supervisory procedures
SEC940069 Kor Investment Advisors
For offer of compromise and settlement
SEC940070 SFI Investments Inc.
For offer of compromise and settlement
SEC940071 Avanti Partners LP
For offer of compromise and settlement
SEC940072 New Light Baptist Church
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC940073 Student Loan Finance Corp.
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC940074 W. Duke Grkovic
For offer of compromise and settlement
SEC940075 Corporate Network Brokerage Services, Inc.
For official interpretation pursuant to VA Code § 13.1-525
SEC940076 Financial Services Center
For offer of compromise and settlement
SEC940077 Baldwin Brothers, Inc.
For offer of compromise and settlement

SEC940078 Financial Solutions
For offer of compromise and settlement
SEC940079 Peress, Benjamin
For offer of compromise and settlement
SEC940080 Copley Financial Services Corp.
For offer of compromise and settlement
SEC940081 Lara Millard & Associates
For offer of compromise and settlement
SEC940082 New Hope Baptist Church
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC940083 Painewebber Incorporated
For official interpretation pursuant to VA Code § 13.1-525
SEC940084 Mount Lebanon Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940085 Gavey, Steven A.
For offer of compromise and settlement
SEC940086 Shelton, William C.
For offer of compromise and settlement
SEC940087 Keys, William A. IV
For offer of compromise and settlement
SEC940088 Hunt, Lionel J.
Alleged violation of VA Code §§ 13.1-502, 13.1-504 and 13.1-507
SEC940089 Suppes Securities Inc.
For offer of compromise and settlement
SEC940090 Woodlawn Baptist Church
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940091 Gardner Investments
For offer of compromise and settlement
SEC940092 Gardner, Eugene H.
For offer of compromise and settlement
SEC940093 Russo, Thomas A.
For offer of compromise and settlement
SEC940094 Montalbano, Charles
For offer of compromise and settlement
SEC940095 Capitol Securities Management Inc.
For offer of compromise and settlement
SEC940096 Index Securities Inc.
For offer of compromise and settlement
SEC940097 Biddiscombe, Sean
For offer of compromise and settlement
SEC940098 Lutheran Church Extension Fund Missouri Synod
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC940099 Virginia Capital Management Group, Inc. and Rudolph Masters, Jr.
For offer of compromise and settlement
SEC940100 Fortunato Financial Services Inc.
For offer of compromise and settlement
SEC940101 Davenport & Co. of Virginia Inc.
For offer of compromise and settlement
SEC940102 Davenport & Co. of Virginia Inc.
For offer of compromise and settlement
SEC940103 Bethel Temple Assembly of God
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940104 Browning-Nash Ron J.
Alleged violation of VA Code §§ 13.1-504(a) and 13.1-507
SEC940105 Perry, Martin D.
Alleged violation of Commission order
SEC940106 Mcgovern, Frank J. Jr.
For offer of compromise and settlement
SEC940107 Seaboard Investment Advisers Inc.
For offer of compromise and settlement
SEC940108 Personal Financial Planning & Management
For offer of compromise and settlement
SEC940109 Anderson & Strudwick Inc.
For offer of compromise and settlement
SEC940110 Hampshire Securities Corp.
For offer of compromise and settlement
SEC940111 Priority Investment Services Inc.
For offer of compromise and settlement
SEC940112 American Finance Group Securities Corp.
For offer of compromise and settlement

SEC940113 Kessler Ehrlich Investments Inc.
For offer of compromise and settlement
SEC940114 Alexander Randolph Advisory Inc.
For offer of compromise and settlement
SEC940115 APS Financial Corporation
For offer of compromise and settlement
SEC940116 Feldman Investment Group Inc., The
For offer of compromise and settlement
SEC940117 Punk Ziegel & Knoell LP
For offer of compromise and settlement
SEC940118 Boston Institutional Services Inc.
For offer of compromise and settlement
SEC940119 Sage Rutty & Co. Inc.
For offer of compromise and settlement
SEC940120 Enterprise Fund Distributors Inc.
For offer of compromise and settlement
SEC940121 Virginia United Methodist Homes, Inc.
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940122 Glickenhaus & Company
For offer of compromise and settlement
SEC940123 Sands Brothers & Co. Ltd.
For offer of compromise and settlement
SEC940124 Weatherly Securities Corp.
For offer of compromise and settlement
SEC940125 Fleet Associates Inc.
For offer of compromise and settlement
SEC940126 LaSalle St. Securities Inc.
For offer of compromise and settlement
SEC940127 Factset Data Systems Inc.
For offer of compromise and settlement
SEC940128 Caroline Savings Bank
For official interpretation pursuant to VA Code § 13.1-525
SEC940129 Weber Investment Corporation
For offer of compromise and settlement
SEC940130 Societe Generale Securities Corp.
For offer of compromise and settlement
SEC940131 SSC Distribution Services Inc.
For offer of compromise and settlement
SEC940132 Northridge Capital Corporation
For offer of compromise and settlement
SEC940134 Full Gospel Church of Deliverance, Newport News, VA
For order of exemption pursuant to VA Code § 13.1-514.1.B
SEC940135 Good, James E.
For offer of compromise and settlement
SEC940136 Scott & Stringfellow Capital Management, Inc.
For offer of compromise and settlement
SEC940137 Dozier Whelan Securities Inc.
For offer of compromise and settlement
SEC940138 Merchants Investment Center Inc.
For offer of compromise and settlement
SEC940139 Maid Brigade Systems Inc., The
For offer of compromise and settlement
SEC940140 Northern California Presbyterian Homes, Inc.
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC940141 Quarter Call Inc.
For offer of compromise and settlement
SEC940142 Kendall, John Glen
For offer of compromise and settlement
SEC940143 Yost, Tom C.
For offer of compromise and settlement
SEC940144 Fidelity Investments Charitable Gift Fund's Pooled Income Fund, The
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC940145 International Pentecostal Holiness Church Extension Loan Fund, Inc., The
For certificate of exemption pursuant to VA Code § 13.1-514.1.B
SEC940146 Musso, Thomas Frank
For offer of compromise and settlement
SEC940147 Christian, Klein & Cogburn Inc.
For offer of compromise and settlement